



## Pictet (CH)-Institutional Fund

Securities fund under Swiss law  
A contractual umbrella fund of the type 'other securities funds', aimed at qualified investors within the meaning of Art. 10, paras. 3 and 4 CISA

Fund contract

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# Fund contract

## I Basic principles

### § 1. Name of the fund, name and registered office of the fund management company and the custodian bank

1. A contractual umbrella fund of the type 'other traditional securities funds' has been established under the name of Pictet (CH) Institutional (referred to below as the "umbrella fund") in accordance with Art. 25 et seq. in conjunction with Art. 68 and Art. 92 et seq. of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 (CISA). The umbrella fund is split into the following subfunds:
  - Pictet (CH) Institutional - Swiss Equities
  - Pictet (CH) Institutional - World Equities
  - Pictet (CH) Institutional - CHF Bonds
  - Pictet (CH) Institutional - Foreign Bonds
  - Pictet (CH) Institutional - Foreign Bonds ex-JPY hedged in CHF
  - Pictet (CH) Institutional - CHF Bonds Tracker
  - Pictet (CH) Institutional - Swiss Equities Tracker
  - Pictet (CH) Institutional - Global Concentrated Equities
  - Pictet (CH) Institutional - World ex-Swiss Equities Tracker (US tax exempt)
  - Pictet (CH) Institutional - World ex-Swiss Equities Tracker (Non US tax exempt)
  - Pictet (CH) Institutional - North American Equities Tracker (US tax exempt)
  - Pictet (CH) Institutional - North American Equities Tracker (Non US tax exempt)
  - Pictet (CH) Institutional - European ex-Swiss Equities Tracker
  - Pictet (CH) Institutional - Japanese Equities Tracker
  - Pictet (CH) Institutional - Pacific Basin ex-Japanese Equities Tracker
  - Pictet (CH) Institutional - Foreign Bonds Tracker
  - Pictet (CH) Institutional - Foreign Bonds Tracker hedged in CHF
2. The fund management company is Pictet Funds SA, Route des Acacias 60, 1211 Geneva 73.
3. The custodian bank is Pictet & Cie, Route des Acacias 60, 1211 Geneva 73.
4. This fund is aimed at qualified investors within the meaning of Art. 10, paras. 3 and 4 CISA. Pursuant to Art. 10, para. 5 CISA, and at the request of the fund management company and the custodian bank, the supervisory authority has ruled non-applicable the provisions of the CISA regarding the duty to draw up a prospectus and a simplified prospectus, the duty to produce semi-annual reports, the duty to designate the media of publication, the duty to publish the issue and redemption prices of units based on net asset value and the duty to issue and redeem the units in cash.

5. In place of the prospectus and the simplified prospectus, the fund management company publishes an informative notice that includes details about the fund management company, the custodian bank, the investment policy, the fee structure and investor eligibility.

## **II Rights and obligations of the parties to the contract**

### **§ 2. The fund contract**

The legal relationship between the investor on the one hand and the fund management company and the custodian bank on the other shall be governed by the present fund contract and the applicable provisions of the legislation on collective investment schemes.

### **§ 3. The fund management company**

1. The fund management company manages the subfunds at its own discretion and in its own name, but for the account of the investors. It decides in particular on the issue of units, the investments and their valuation. It calculates the net asset value of the subfunds and determines the issue and redemption prices of units as well as distributions of income. It exercises all rights associated with the umbrella fund and subfunds.
2. The fund management company and its agents are subject to the duties of loyalty, due diligence and disclosure concerning the subfunds and the investment fund. They act independently and exclusively in the interests of the investors. They implement the organisational measures that are necessary for proper management. They ensure the provision of transparent financial statements and provide appropriate information on the umbrella fund and subfunds.
3. The fund management company can delegate investment decisions as well as specific tasks for all subfunds or for individual subfunds, provided this is in the interests of efficient management. It shall commission only persons who are qualified to execute the delegated tasks properly, and shall ensure the provision of instructions as well as monitoring and controlling in respect of the tasks.
4. The fund management company may with the consent of the custodian bank submit a change to the present fund contract to the supervisory authority for approval (cf. § 26), and may also establish further subfunds with the approval of the supervisory authority.
5. The fund management company can merge the individual subfunds with other subfunds or with other investment funds pursuant to the provisions set down under § 24 and can dissolve the individual subfunds pursuant to the provisions set down under § 25.
6. The fund management company can manage part or all of the assets of different investment funds or subfunds jointly (pooling), provided these are managed by the same fund management company and the assets are held in safekeeping by the same custodian bank. This shall not give rise to any additional costs for the investors. The pooling shall not create any liability between the investment funds or subfunds involved. The fund management company shall at all times be in the position to allocate the investments of the pool to the individual investment funds or subfunds involved. The

pool shall not constitute a separate fund in its own right.

7. The fund management company is entitled to receive the fees stipulated in §§ 18 and 19. It is further entitled to be released from the liabilities assumed in the proper execution of its tasks, and to be reimbursed for expenses incurred in connection with such liabilities.

#### **§ 4. The custodian bank**

1. The custodian bank is responsible for the safekeeping of the assets of the subfunds. It handles the issue and redemption of fund units as well as payments on behalf of the subfunds.
2. The custodian bank and its agents are subject to the duties of loyalty, due diligence and disclosure. They act independently and exclusively in the interests of the investors. They implement the organisational measures that are necessary for proper management. They ensure the provision of transparent financial statements and provide appropriate information on the umbrella fund and subfunds.
3. The custodian bank may delegate the safekeeping of the assets of the subfunds to third-party custodians and collective securities depositaries in Switzerland or abroad. It is liable for applying due diligence when choosing and instructing the third parties, as well as for monitoring constant compliance with the selection criteria.
4. The custodian bank ensures that the fund management company complies with the law and the fund contract. It checks whether the calculation of the net asset values and of the issue and redemption prices of the units as well as the investment decisions are in compliance with the law and the fund contract, and whether the income is appropriated in accordance with the fund contract. The custodian bank is not responsible for the choice of investments which the fund management company makes in accordance with the investment regulations.
5. The custodian bank is entitled to receive the fees stipulated in §§ 18 and 19. It is further entitled to be released from the liabilities assumed in the proper execution of its tasks, and to be reimbursed for expenses incurred in connection with such liabilities.

#### **§ 5. The investor**

1. This fund is aimed exclusively at qualified investors within the meaning of Art. 10, paras. 3 and 4 CISA. Qualified investors pursuant to this fund contract specifically include: regulated financial intermediaries such as banks, securities traders and fund management companies; regulated insurance institutions; public entities and retirement benefits institutions with professional treasury operations; companies with professional treasury operations; high-net-worth individuals; investors who have concluded a written discretionary management agreement with a financial intermediary as designated above; and investors who have concluded a written discretionary management agreement with an independent asset manager, provided that the provisions of Art. 6, para. 2 CISO are fulfilled.
2. In respect of subfunds
  - Pictet (CH) Institutional - World ex-Swiss Equities Tracker (US tax exempt)
  - Pictet (CH) Institutional – North American Equities Tracker (US tax exempt)

investor eligibility for these subfunds is restricted to Swiss retirement benefits institutions within the meaning of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (LPP/BVG) that are exempted from taxation at source by the United States of America in respect of income from securities under the terms of the Double Taxation Agreement between the Swiss Confederation and the United States of America.

3. On concluding the contract and making a payment in cash, the investor acquires a claim against the fund management company in respect of a participation in the assets and income of a subfund of the umbrella fund. The investor's claim is evidenced in the form of fund units. Investors are entitled to participate in the assets and income of only that subfund in which they hold units.

Liabilities that are attributable to an individual subfund shall be borne solely by the said subfund.

4. The investors are obliged only to remit payment, in cash or securities, for the units of the subfund to which they subscribe. They shall not be held personally liable for the liabilities of the umbrella fund or the subfund.
5. Investors may at any time request that the fund management company supply them with the necessary information regarding the basis on which the net asset value per unit is calculated. If investors express an interest in more detailed information about specific business transactions effected by the fund management company, such as the exercising of membership and creditors' rights, they must be given such information by the fund management company at any time. The investors may request at the courts of the registered office of the fund management company that the auditors or another expert investigate the matter which requires clarification and furnish the investors with a report.
6. The investors may terminate the investment fund contract at any time and demand that their share in the subfund concerned be reimbursed. Detailed information is set out in the informative notice.
7. If requested, the investors are obliged to provide the fund management company, the custodian bank and their agents with proof that they comply with or continue to comply with the provisions laid down in the law or the fund contract in respect of participation in a subfund or in a unit class. Furthermore, they are obliged to inform the fund management company, the custodian bank and their agents immediately once they no longer meet these prerequisites.
8. The fund management company in conjunction with the custodian bank must make an enforced redemption of the units of an investor at the current redemption price if:
  - a) this is necessary to safeguard the reputation of the financial market, specifically to combat money laundering;
  - b) the investor no longer meets the legal, regulatory, contractual or statutory requirements for participation in a subfund.

9. The fund management company in conjunction with the custodian bank can also make an enforced redemption of the units of an investor at the current redemption price if:
  - a) the participation of the investor in a subfund is such that it could have a significant detrimental impact on the economic interests of the other investors, in particular if the participation could result in tax disadvantages for the umbrella fund and/or a subfund in Switzerland or abroad;
  - b) the investor has acquired or holds their units in violation of provisions of a law to which they are subject either in Switzerland or abroad, of the present fund contract or of the prospectus;
  - c) there is a detrimental impact on the economic interests of the investors, in particular in cases where individual investors seek by way of systematic subscriptions and immediate redemptions to achieve a pecuniary gain by exploiting the time differences between the setting of the closing prices and the valuation of the subfund's assets (market timing).

## **§ 6. Units and unit classes**

1. The fund management company can establish different unit classes and can also merge or dissolve unit classes for each subfund at any time subject to the consent of the custodian bank and the approval of the supervisory authority. All unit classes embody an entitlement to a share in the total assets of the subfund concerned, which are not segmented. This share may differ due to class-specific costs or distributions or class-specific income and the various classes may therefore have different net asset values per unit of a given subfund. Class-specific costs are covered by the assets of the subfund as a whole.
2. Notification of the establishment, dissolution or merger of unit classes shall be communicated in writing directly to the investor. Only mergers shall be deemed a change to the fund contract pursuant to § 26.
3. The various unit classes of the subfunds may differ from one another in terms of their cost structure, reference currency, currency hedging, policy with regard to distribution or reinvestment of income, the minimum investment required and investor eligibility.

Fees and costs are charged only to the unit class for which the respective service is performed. Fees and costs that cannot be unequivocally allocated to a unit class shall be charged to the individual unit classes on a pro rata basis in relation to their share of the subfund's assets.

4. There are currently the following unit classes:

Class "I" units are available to investors making an initial investment worth at least CHF 1,000,000 in the fund.

Class "J" units are available to investors making an initial investment worth at least CHF 5,000,000 in the fund.

Class "P" units are not subject to any quantitative restrictions.



Class "Z" units are available to investors making an initial investment worth at least CHF 500,000 in Pictet funds and who have concluded a discretionary management or service agreement with an entity of the Pictet group.

Class "IX" units are available to investors making an initial investment worth at least CHF 1,000,000, who satisfy the eligibility criteria for the Pictet (CH) Institutional – World ex-Swiss Equities Tracker (US tax exempt) or Pictet (CH) Institutional – North American Equities Tracker (US tax exempt) subfund and who identify themselves by name to Pictet & Cie (custodian bank) or Pictet & Cie (Europe) SA, Luxembourg (transfer agent) and agree to their identity being communicated to another entity in the Pictet group.

Class "JX" units are available to investors making an initial investment worth at least CHF 5,000,000, who satisfy the eligibility criteria for the Pictet (CH) Institutional – World ex-Swiss Equities Tracker (US tax exempt) or Pictet (CH) Institutional – North American Equities Tracker (US tax exempt) subfund and who identify themselves by name to Pictet & Cie (custodian bank) or Pictet & Cie (Europe) SA, Luxembourg (transfer agent) and agree to their identity being communicated to another entity in the Pictet group.

Class "PX" units are not subject to any quantitative restrictions and are available exclusively to investors who satisfy the eligibility criteria for the Pictet (CH) Institutional – World ex-Swiss Equities Tracker (US tax exempt) or Pictet (CH) Institutional – North American Equities Tracker (US tax exempt) subfund and who identify themselves by name to Pictet & Cie (custodian bank) or Pictet & Cie (Europe) SA, Luxembourg (transfer agent) and agree to their identity being communicated to another entity in the Pictet group.

Class "ZX" units are available to investors who satisfy the eligibility criteria for the Pictet (CH) Institutional – World ex-Swiss Equities Tracker (US tax exempt) or Pictet (CH) Institutional – North American Equities Tracker (US tax exempt) subfund, who have concluded a discretionary management or service agreement with an entity of the Pictet group and who identify themselves by name to Pictet & Cie (custodian bank) or Pictet & Cie (Europe) SA, Luxembourg (transfer agent) and agree to their identity being communicated to another entity in the Pictet group.

5. Units shall not take the form of actual certificates but shall exist purely as book entries. The investors are not entitled to demand delivery of a unit certificate.
6. The fund management company is obliged to instruct investors who no longer meet the prerequisites for holding a unit class to ensure within 30 calendar days that their units are redeemed pursuant to § 17, transferred to a person who does meet the aforementioned prerequisites, or switched into units of another unit class of the subfund concerned whose prerequisites they do meet. If an investor fails to comply with this demand, the fund management company may, in cooperation with the custodian bank, make an enforced switch into another unit class of the subfund concerned pursuant to § 5, prov. 8, or, should this not be possible, enforce the redemption of the units in question.

### **III Investment policy guidelines**

#### **A Investment principles**

##### **§ 7. Compliance with investment regulations**

1. In selecting individual investments of each subfund, the fund management company must adhere to the principle of balanced risk diversification and must observe the percentage limits defined below. These percentages relate to the assets of the individual subfunds at market value and must be complied with at all times. The individual subfunds must have fulfilled the terms of the investment restrictions no later than six months after the expiry of the subscription period (launch).
2. If the limits are exceeded as a result of market-related changes, the investments must be restored to the permitted level within a reasonable period, taking due account of the investors' interests. If the limits relating to derivatives pursuant to § 12 below are exceeded due to a change in the delta, this is to be rectified within three bank working days at the latest, taking due account of the investors' interests.

##### **§ 8. Investment policy**

1. Within the framework of the specific investment policy of each subfund, the fund management company may invest the assets of the individual subfunds in the following investments:
  - a) Securities, i.e. securities issued in large quantities and non-securitised rights with the same function (uncertified securities) that are traded on a stock exchange or another market open to the public, and that embody a participation right or claim or the right to acquire such securities and uncertified securities by way of subscription or exchange, for example warrants;

Investments in securities from new issues are only permitted if their admission to a stock exchange or another regulated market open to the public is envisaged under the terms of issue. If they have not been admitted to a stock exchange or another regulated market open to the public within a year after their acquisition, these securities must be sold within one month or included under the restriction set down in prov. 1, lit. f.

- b) Derivatives, if (i) the underlying securities are securities pursuant to lit. a, derivatives pursuant to lit. b, units in collective investment schemes pursuant to lit. c, money market instruments pursuant to lit. d, financial indices, interest rates, exchange rates, credits or currencies, and (ii) the underlying securities are permitted as investments under the fund contract. Derivatives are either traded on a stock exchange or other regulated market open to the public, or are traded OTC.

Investments in derivatives traded OTC (OTC transactions) are permitted only if (i) the counterparty is a regulated financial intermediary specialising in such transactions, and (ii) the OTC derivatives can be traded daily or a return to the issuer is possible at any time. In addition, it shall be possible for them to be valued in a reliable and transparent manner. Derivatives may be used pursuant to § 12.

- c) Units of other collective investment schemes (target funds), provided that (i) their documents restrict investments for their part in other target funds to a total of 49%; (ii) these target funds are subject to provisions equivalent to those pertaining to securities funds or to the category "other securities funds" in respect of the purpose, organisation, investment policy, investor protection, risk diversification, asset segregation, borrowing, lending, short-selling of securities and money market instruments, the issuing and redemption of fund units and the content of the semi-annual and annual reports; and (iii) these target funds are authorised as collective investment schemes in their country of domicile and are subject there to supervision which is equivalent to that in Switzerland and which serves to protect investors, and that international legal assistance is ensured.
- d) Money market instruments, provided these are liquid, can be readily valued and are traded on an exchange or other regulated market open to the public; money market instruments which are not traded on an exchange or other regulated market open to the public may be acquired only if the issue or the issuer is subject to provisions regarding creditor or investor protection and if the money market instruments are issued or guaranteed by issuers pursuant to Art. 74, para. 2 CISO.
- e) Sight or time deposits with terms to maturity not exceeding twelve months with banks domiciled in Switzerland or in a member state of the European Union or in another country provided that the bank is subject to supervision in this country which is equivalent to the supervision in Switzerland.
- f) Investments other than those specified in a to e above up to a total of 10% of the fund assets.

- 2. a) In respect of the Pictet (CH) Institutional - Swiss Equities subfund (whose benchmark index reflects the Swiss equity market) and Pictet (CH) Institutional - World Equities subfund (whose benchmark index reflects the international equity market), the fund management company shall invest at least two thirds of the total assets of the subfunds in:

- aa) equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by companies included on the benchmark index designated by the fund management company;
- ab) units of other collective investment schemes which according to their documents invest their assets or a part thereof in accordance with the guidelines of the present subfund;
- ac) derivatives (including warrants) on the above investments.

In the case of investments in other collective investment schemes pursuant to lit. ab) above, the fund management company shall ensure that at least two thirds of the fund's assets on a consolidated basis are invested in investments pursuant to lit. aa) above.

- b) The fund management company may also invest up to one third of the total assets of these subfunds in:
  - ba) equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by

- companies not included on the benchmark index designated by the fund management company;
- bb) units of other money market collective investment schemes;
- bc) derivatives (including warrants) on the above investments.

3. a) In respect of the Pictet (CH) Institutional – CHF Bonds subfund, the fund management company shall invest at least two thirds of total assets in:

- aa) bonds (including a maximum of 25% in convertible bonds, convertible notes and bonds with warrants), notes, and other fixed or variable-interest debt instruments and rights denominated in Swiss francs and issued by private and public borrowers;
- ab) units of other collective investment schemes which according to their documents invest their assets or a part thereof in accordance with the guidelines of the present subfund;
- ac) derivatives (including warrants) on the above investments.

In the case of investments in other collective investment schemes pursuant to lit. ab) above, the fund management company shall ensure that at least two thirds of the fund's assets on a consolidated basis are invested in investments pursuant to lit. aa) above.

b) Subject to the provisions of lit. c, the fund management company may also invest up to a maximum of one third of the subfund's total assets in:

- ba) bonds or short-term debt bonds in foreign currency, provided that such investments are hedged against the Swiss franc at the time of purchase;
- bb) debt instruments and rights issued by Swiss and foreign issuers that do not meet the requirements specified above with regard to currency;
- bc) units of other money market collective investment schemes;
- bd) equities and other equity-type securities (maximum 10%);
- be) derivatives (including warrants) on the above investments.

c) The fund management company must also comply with the following investment restrictions, which refer to the total assets of the subfund:

- ca) convertible bonds, convertible notes and bonds with warrants (maximum 25%);

4. a) In respect of the Pictet (CH) Institutional – Foreign Bonds subfund, the fund management company shall invest at least two thirds of total assets in:

- aa) bonds (including a maximum of 25% in convertible bonds, convertible notes and bonds with warrants), notes, and other fixed or variable-interest debt instruments and rights denominated in foreign currency and issued by private and public borrowers;
- ab) units of other collective investment schemes which according to their documents invest their assets or a part thereof in accordance with the guidelines of the present subfund;
- ac) derivatives (including warrants) on the above investments.

In the case of investments in other collective investment schemes pursuant to lit. ab) above, the fund management company shall ensure that at least two thirds of the fund's assets on a consolidated basis are invested in investments

pursuant to lit. aa) above.

- b) Subject to the provisions of lit. c, the fund management company may also invest up to a maximum of one third of the subfund's total assets in:

- ba) debt instruments and rights issued by Swiss and foreign issuers, denominated in CHF;
- bb) units of other money market collective investment schemes;
- bc) equities and other equity-type securities (maximum 10%);
- bd) derivatives (including warrants) on the above investments.

- c) The fund management company must also comply with the following investment restrictions, which refer to the total assets of the subfund:

- ca) convertible bonds, convertible notes and bonds with warrants (maximum 25%);

- 5. a) In respect of the Pictet (CH) Institutional - Foreign Bonds ex-JPY hedged in CHF subfund, the fund management company shall invest at least two thirds of total assets in:

- aa) bonds (including a maximum of 25% in convertible bonds, convertible notes and bonds with warrants), notes, and other fixed or variable-interest debt instruments and rights denominated in any currency with the exception of the Japanese yen;
- ab) derivatives (including warrants) on the above investments.

- b) The fund management company may also invest up to one third of the total assets of the subfund in:

- ba) units of other money market collective investment schemes;
- bb) derivatives (including warrants) on the above investments.

- c) The fund management company shall operate a hedging policy for CHF exchange rate risk.

- 6. a) In respect of the Pictet (CH) Institutional - CHF Bonds Tracker subfund, which will track the weighting of the bonds in the benchmark index, the fund management company shall invest at least two thirds of total assets in:

- aa) bonds (including a maximum of 25% in convertible bonds, convertible notes and bonds with warrants), notes, and other fixed or variable-interest debt instruments and rights denominated in Swiss francs and issued by private and public borrowers;
- ab) derivatives (including warrants) on the above investments.

- b) Subject to the provisions of lit. c, the fund management company may also invest up to a maximum of one third of the subfund's total assets in:

- ba) bonds or short-term debt bonds in foreign currency, provided that such investments are hedged against the Swiss franc at the time of purchase;
- bb) debt instruments and rights issued by Swiss and foreign issuers that do not meet the requirements specified above with regard to currency;

- bc) units of other money market collective investment schemes;
- bd) equities and other equity-type securities (maximum 10%);
- be) derivatives (including warrants) on the above investments.

7. a) In respect of the Pictet (CH) Institutional – Swiss Equities Tracker subfund, which will track the weighting of the equities in the benchmark index, the fund management company shall invest at least two thirds of total assets in:

- aa) equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by companies included on the benchmark index designated by the fund management company;
- ab) derivatives (including warrants) on the above investments.

- b) The fund management company may also invest up to one third of the total assets of the subfund in:

- ba) units of other money market collective investment schemes;
- bb) derivatives (including warrants) on the above investments.

8. a) In respect of the Pictet (CH) Institutional – Global Concentrated Equities subfund (whose benchmark index reflects the international equity market), the fund management company shall invest at least two thirds of the total assets of this subfund in a limited number of equities with high potential, as follows:

- aa) equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by companies included on the benchmark index designated by the fund management company;
- ab) derivatives (including warrants) on the above investments.

- b) The fund management company may also invest up to one third of the total assets of the subfund in:

- ba) equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by companies not included on the benchmark index designated by the fund management company;
- bb) convertible bonds;
- bd) units of other money market collective investment schemes;
- be) derivatives (including warrants) on the above investments.

9. a) In respect of the Pictet (CH) Institutional – World ex-Swiss Equities Tracker (US tax exempt) subfund, which will track the weighting of the equities in the benchmark index, the fund management company shall invest at least two thirds of the subfund's total assets in:

- aa) equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by

- companies included on or strongly correlated with the benchmark index designated by the fund management company;
- ab) units of other collective investment schemes which according to their documents invest their assets or a part thereof in accordance with the guidelines of the present subfund, including ETFs;
- ac) derivatives (including warrants and futures) on the above investments.

In the case of investments in other collective investment schemes pursuant to lit. ab) above, the fund management company shall ensure that at least two thirds of the fund's assets on a consolidated basis are invested in investments pursuant to lit. aa) above.

- b) The fund management company may also invest up to one third of the total assets of the subfund in:
  - ba) units of other collective investment schemes that do not meet the requirements specified above;
  - bb) derivatives (including warrants) on the above investments.

The subfund's reference currency is the US dollar.

This subfund is restricted to unitholders which are Swiss retirement benefits institutions within the meaning of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (LPP/BVG), as mentioned under §5, prov. 2 above.

- 10. a) In respect of the Pictet (CH) Institutional – World ex-Swiss Equities Tracker (non US tax exempt) subfund, which will track the weighting of the equities in the benchmark index, the fund management company shall invest at least two thirds of the subfund's total assets in:
  - aa) equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by companies included on or strongly correlated with the benchmark index designated by the fund management company;
  - ab) units of other collective investment schemes which according to their documents invest their assets or a part thereof in accordance with the guidelines of the present subfund, including ETFs;
  - ac) derivatives (including warrants and futures) on the above investments.

In the case of investments in other collective investment schemes pursuant to lit. ab) above, the fund management company shall ensure that at least two thirds of the fund's assets on a consolidated basis are invested in investments pursuant to lit. aa) above.

- b) The fund management company may also invest up to one third of the total assets of the subfund in:
  - ba) units of other collective investment schemes that do not meet the requirements specified above;
  - bb) derivatives (including warrants) on the above investments.

The subfund's reference currency is the US dollar.

11. a) In respect of the Pictet (CH) Institutional – North American Equities Tracker (US tax exempt) subfund, which will track the weighting of the equities in the benchmark index, the fund management company shall invest at least two thirds of the subfund's total assets in:
- aa) equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by companies included on or strongly correlated with the benchmark index designated by the fund management company;
  - ab) units of other collective investment schemes which according to their documents invest their assets or a part thereof in accordance with the guidelines of the present subfund, including ETFs;
  - ac) derivatives (including warrants and futures) on the above investments.

In the case of investments in other collective investment schemes pursuant to lit. ab) above, the fund management company shall ensure that at least two thirds of the fund's assets on a consolidated basis are invested in investments pursuant to lit. aa) above.

b) The fund management company may also invest up to one third of the total assets of the subfund in:

- ba) units of other collective investment schemes that do not meet the requirements specified above;
- bb) derivatives (including warrants) on the above investments.

The subfund's reference currency is the US dollar.

This subfund is restricted to unitholders which are Swiss retirement benefits institutions within the meaning of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (LPP/BVG), as mentioned under §5, prov. 2 above.

12. a) In respect of the Pictet (CH) Institutional – North American Equities Tracker (non US tax exempt) subfund, which will track the weighting of the equities in the benchmark index, the fund management company shall invest at least two thirds of the subfund's total assets in:
- aa) equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by companies included on or strongly correlated with the benchmark index designated by the fund management company;
  - ab) units of other collective investment schemes which according to their documents invest their assets or a part thereof in accordance with the guidelines of the present subfund, including ETFs;
  - ac) derivatives (including warrants and futures) on the above investments.

In the case of investments in other collective investment schemes pursuant to lit.



ab) above, the fund management company shall ensure that at least two thirds of the fund's assets on a consolidated basis are invested in investments pursuant to lit. aa) above.

b) The fund management company may also invest up to one third of the total assets of the subfund in:

ba) units of other collective investment schemes that do not meet the requirements specified above;

bb) derivatives (including warrants) on the above investments.

The subfund's reference currency is the US dollar.

13. a) In respect of the Pictet (CH) Institutional – European ex-Swiss Equities Tracker subfund, which will track the weighting of the equities in the benchmark index, the fund management company shall invest at least two thirds of total assets in:

aa) equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by companies included on or strongly correlated with the benchmark index designated by the fund management company;

ab) units of other collective investment schemes which according to their documents invest their assets or a part thereof in accordance with the guidelines of the present subfund, including ETFs;

ac) derivatives (including warrants and futures) on the above investments.

In the case of investments in other collective investment schemes pursuant to lit. ab) above, the fund management company shall ensure that at least two thirds of the fund's assets on a consolidated basis are invested in investments pursuant to lit. aa) above.

b) The fund management company may also invest up to one third of the total assets of the subfund in:

ba) units of other collective investment schemes that do not meet the requirements specified above;

bb) derivatives (including warrants) on the above investments.

The subfund's reference currency is the euro.

14. a) In respect of the Pictet (CH) Institutional – Japanese Equities Tracker subfund, which will track the weighting of the equities in the benchmark index, the fund management company shall invest at least two thirds of total assets in:

aa) equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by companies included on or strongly correlated with the benchmark index designated by the fund management company;

ab) units of other collective investment schemes which according to their documents invest their assets or a part thereof in accordance with the guidelines of the

present subfund, including ETFs;  
ac) derivatives (including warrants and futures) on the above investments.

In the case of investments in other collective investment schemes pursuant to lit. ab) above, the fund management company shall ensure that at least two thirds of the fund's assets on a consolidated basis are invested in investments pursuant to lit. aa) above.

b) The fund management company may also invest up to one third of the total assets of the subfund in:

ba) units of other collective investment schemes that do not meet the requirements specified above;  
bb) derivatives (including warrants) on the above investments.

The subfund's reference currency is the Japanese yen.

15. a) In respect of the Pictet (CH) Institutional – Pacific Basin ex-Japanese Equities Tracker subfund, which will track the weighting of the equities in the benchmark index, the fund management company shall invest at least two thirds of total assets in:

aa) equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by companies included on or strongly correlated with the benchmark index designated by the fund management company;  
ab) units of other collective investment schemes which according to their documents invest their assets or a part thereof in accordance with the guidelines of the present subfund, including ETFs;  
ac) derivatives (including warrants and futures) on the above investments.

In the case of investments in other collective investment schemes pursuant to lit. ab) above, the fund management company shall ensure that at least two thirds of the fund's assets on a consolidated basis are invested in investments pursuant to lit. aa) above.

b) The fund management company may also invest up to one third of the total assets of the subfund in:

ba) units of other collective investment schemes that do not meet the requirements specified above;  
bb) derivatives (including warrants) on the above investments.

The subfund's reference currency is the US dollar.

16. a) In respect of the Pictet (CH) Institutional - Foreign Bonds Tracker subfund, which will track the weighting of the bonds in the benchmark index, the fund management company shall invest at least two thirds of total assets in:

- aa) bonds (including a maximum of 25% in convertible bonds, convertible notes and bonds with warrants), notes, and other fixed or variable-interest debt instruments and rights denominated in foreign currency and issued by private and public borrowers;
- ab) units of other collective investment schemes which according to their documents invest their assets or a part thereof in accordance with the guidelines of the present subfund;
- ac) derivatives (including warrants) on the above investments.

In the case of investments in other collective investment schemes pursuant to lit. ab) above, the fund management company shall ensure that at least two thirds of the fund's assets on a consolidated basis are invested in investments pursuant to lit. aa) above.

- b) The fund management company may also invest up to one third of the total assets of the subfund in:

- ba) debt instruments and rights issued by Swiss and foreign issuers, denominated in CHF;
- bb) units in money market collective investment schemes;
- bc) derivatives (including warrants) on the above investments.

- 17 a) In respect of the Pictet (CH) Institutional - Foreign Bonds Tracker hedged in CHF subfund, which aims to replicate the main features of the benchmark index, the fund management company shall invest at least two thirds of total assets in:

- aa) bonds (including a maximum of 25% in convertible bonds, convertible notes and bonds with warrants), notes, and other fixed or variable-interest debt instruments and rights denominated in foreign currency and issued by private and public borrowers;
- ab) units of other collective investment schemes which according to their documents invest their assets or a part thereof in accordance with the guidelines of the present subfund;
- ac) derivatives (including warrants) on the above investments.

In the case of investments in other collective investment schemes pursuant to lit. ab) above, the fund management company shall ensure that at least two thirds of the fund's assets on a consolidated basis are invested in investments pursuant to lit. aa) above.

- b) The fund management company may also invest up to one third of the total assets of the subfund in:

- ba) debt instruments and rights issued by Swiss and foreign issuers, denominated in CHF;
- bb) units in money market collective investment schemes;
- bc) derivatives (including warrants) on the above investments.

- c) The management shall operate a hedging policy for CHF exchange rate risk.

18. The fund management company may, after deduction of the liquid assets, invest up to 49% of the assets of each subfund in units of other collective investment schemes.
19. Subject to the provisions of § 19, the fund management company may acquire units of target funds that are managed directly or indirectly by the fund management company itself or a company with which it is related by virtue of common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes.
20. In respect of "Tracker" subfunds, the fund management company holds securities positions which are included in or highly correlated with the benchmark index. Nevertheless, during a period of approximately one month before or after a date on which the composition of the index is changed, the fund management company is authorised to hold securities positions which are included in the benchmark index in its old or new composition.
21. The benchmark indices of the subfunds are stated in the informative notice.
22. Derivatives are subject to counterparty risk, in addition to market risk; in other words, there is a risk that the contracting party may not honour its commitments and may thus cause a financial loss.

## **§ 9. Liquid assets**

The fund management company may also hold liquid assets for each subfund in an appropriate amount in the accounting currency of the subfund concerned and in any other currency in which investments are permitted.

Liquid assets comprise bank deposits as well as claims from repurchase agreements at sight or on demand with maturities of up to twelve months.

## **B Investment techniques and instruments**

## **§ 10. Securities lending**

1. The fund management company may lend all types of securities which are traded on an exchange or a regulated market open to the public. However, it may not lend securities acquired under a reverse repo transaction.
2. The fund management company may lend securities and rights in its own name and for its own account to a borrower ("Principal") or appoint an intermediary to put the securities at the disposal of the borrower either indirectly on a fiduciary basis ("Agent") or directly ("Finder").
3. The fund management company shall enter into securities lending transactions only with first-class borrowers or intermediaries specialising in transactions of this type, such as banks, brokerage firms and insurance companies, as well as recognised securities clearing organisations which can be relied upon to guarantee the proper execution of the securities lending transactions.
4. If the fund management company must observe a notice period, which may not be more than 10 bank working days, before it can legally repossess the loaned securities, it may not lend more than 50% of the eligible holding of a particular security per subfund.

However, should the borrower or the intermediary contractually guarantee to the fund management company that it may legally repossess loaned securities on the same or following bank working day, then the entire eligible holding of a particular security may be lent.

5. The fund management company shall conclude an agreement with the borrower or intermediary whereby the latter shall pledge or transfer collateral to the fund management company for the purposes of guaranteeing restitution in accordance with Article 8 CISO-SFBC. The value of the collateral must at all times be equal to at least 105% of the market value of the loaned securities or at least 102% if the collateral consists of (i) liquid assets or (ii) fixed or variable-interest securities that have a current long-term rating of at least "AAA", "Aaa" or the equivalent from a ratings agency recognised by the SFBC. Moreover, the borrower or intermediary is liable for ensuring the prompt, unconditional payment of any income accruing during the lending period, as well as for the assertion of other proprietary rights and for the contractually agreed return of securities of the same type, quantity and quality.
6. The custodian bank shall ensure that the securities lending transactions are handled in a secure manner in line with the agreements and in particular shall monitor compliance with the requirements relating to collateral. For the duration of the lending transactions it shall also be responsible for the administrative duties assigned to it under the custody account regulations and for asserting all rights associated with the loaned securities, provided these have not been ceded under the terms of an applicable framework agreement.

## **§ 11. Securities repurchase agreements**

1. The fund management company may enter into securities repurchase agreements ("repos") for the account of the subfunds. Securities repurchase agreements can be concluded as either repos or reverse repos.

A repo is a legally binding transaction whereby one party (the borrower or repo seller) undertakes temporarily to transfer ownership of specific securities to another (the lender or repo buyer) against remuneration, while the lender undertakes to return to the borrower securities of the same type, quantity and quality at the end of the repo term together with any income earned during such term. The price risk associated with the securities shall be borne by the borrower for the duration of the repo transaction.

From the perspective of the counterparty (lender), a repo is a reverse repo. By means of a reverse repo, the fund management company acquires securities for investment purposes and at the same time agrees to return securities and rights of the same type, quantity and quality and to transfer all income received during the term of the reverse repurchase agreement.

2. The fund management company may conduct repurchase agreements in its own name and on its own account with a counterparty ("Principal"), or may instruct an intermediary to conclude repurchase agreements with a counterparty either indirectly in a fiduciary capacity ("Agent") or directly ("Finder").
3. The fund management company shall conduct repurchase agreements only with first-class counterparties and intermediaries specialising in transactions of this type, such as banks, brokerage firms and insurance companies or recognised securities clearing organisations that can be relied upon to guarantee the proper execution of the

repurchase agreements.

4. The custodian bank shall ensure that the repurchase agreements are conducted in a secure manner and that the contractual terms are complied with. It shall ensure that fluctuations in the value of the securities used in the repo transactions are compensated in cash or securities (mark to market). It is also responsible for the administrative duties assigned to it under the custody account regulations and for asserting all rights pertaining to the securities used in the repo transactions, provided these have not been ceded under the terms of an applicable framework agreement.
5. For repo transactions, the fund management company may use all types of securities which are traded on an exchange or a regulated market open to the public. However, it may not use securities and rights acquired under a reverse repo for repo transactions.
6. If the fund management company must observe a notice period, which may not be more than 10 bank working days, before it can legally repossess the securities used in a repo transaction, it may not use more than 50% of the eligible holding of a particular security per subfund. However, should the counterparty or the agent contractually commit to the fund management company that it may legally repossess securities used in a repo transaction on the same or following bank working day, then the entire holdings of a particular security eligible for repo transactions may be used.
7. Engaging in repo transactions is deemed to be taking up a loan pursuant to § 14, unless the money received is used to acquire securities of the same type, quality, credit rating and maturity in conjunction with the conclusion of a reverse repo.
8. With regard to reverse repos, the fund management company may only acquire fixed or variable-interest securities issued or guaranteed by the Swiss Confederation, Swiss cantons and municipalities, or by issuers which have the minimum credit ratings required by the supervisory authority.
9. Claims arising from reverse repos are deemed to be liquid assets pursuant to § 9 and not extending a loan pursuant to § 13.

## **§ 12. Derivative financial instruments**

1. The fund management company may use derivatives for the efficient management of the assets of the subfunds. It shall ensure that even under extreme market conditions, the financial effect of the use of derivatives does not result in a deviation from the investment objectives set out in the fund contract and the informative notice, and that it does not change the investment character of the fund. Furthermore, the underlyings of the derivatives must be permitted as investments for the subfund in accordance with the present fund contract.

The legislation on collective investment schemes makes provision for three risk assessment processes for the use of derivative financial instruments: the Commitment Approaches I and II for "simple securities funds" and the model approach for "complex securities funds".

Commitment Approach I is a simplified process and its defining characteristic is that the use of derivatives must not have a leverage effect on the fund assets or correspond to short selling. Commitment Approach II is an extended process. Both leverage and short selling are permitted. The overall exposure of a subfund may thus be up to 200% of its

net assets (or up to 225% when borrowing is taken into account). In the case of the model approach, the risk of a subfund is measured daily as the value-at-risk (VaR) with a 99th percentile confidence interval and a holding period of 20 trading days; it may not exceed twice the VaR of a derivative-free benchmark portfolio, pursuant to § 8, prov. 2. Stress tests must also be carried out on a periodic basis.

2. For the assessment of risk, Commitment Approach II shall be applied. The overall exposure of a subfund associated with derivatives may therefore not exceed 100% of its net assets and the overall exposure may not exceed a total of 200% of its net assets. When taking into account the possibility of temporary borrowing amounting to no more than 25% of its net assets pursuant to § 13, prov. 2, the overall exposure of the fund may not exceed 225% of its net assets.

The fund management company must at all times be able to meet the payment and delivery obligations entered into in respect of the derivatives, in accordance with collective investment schemes legislation.

3. The fund management company may in particular use forms of derivatives such as call or put options whose value at expiration is linearly dependent on the positive or negative difference between the market value of the underlying and the strike price and is zero if the difference is preceded by the opposite algebraic sign, credit default swaps (CDS), swaps whose payments are dependent in both a linear and a non-path-dependent manner on the value of the underlying or on an absolute amount, as well as future and forward transactions whose value is linearly dependent on the value of the underlying. It may also use combinations of basic forms of derivatives as well as derivatives whose economic mode of operation cannot be described by a basic form of derivative or by a combination of basic forms of derivatives (exotic derivatives).
4.
  - a) The derivatives shall be broken down by the fund management company into the three risk categories of market risk, credit risk and currency risk. If a derivative entails risks in different categories, it shall be included in each of the corresponding risk categories with its underlying equivalent. In the case of futures, forwards and swaps, the underlying equivalent is determined by taking the product of the number of contracts and the contract value. In the case of options, it is determined by taking the product of the number of contracts, the contract value and the delta (provided one has been calculated).
  - b) Counter positions in derivatives of the same underlying and in investments in that underlying may be netted with one another.
  - c) Counter positions of different underlyings may only be netted with one another if they are similar in terms of risk, such as market risk, credit risk and currency risk, and exhibit a high correlation.
  - d) Call options sold and put options purchased may only be included in the netting process if their delta has been calculated.
  - e) For each risk category, the absolute amounts of the underlying equivalents of the derivatives shall be added together, subject to any netting in accordance with b) to d). In none of the three risk categories shall the sum of the underlying equivalents exceed the net asset value of the fund.
  - f) Payment obligations in respect of derivatives must at all times be covered by near-

money assets, debt securities and rights or equities that are traded on an exchange or other regulated market open to the public, in accordance with collective investment schemes legislation. These near-money assets and investments can be used to cover several derivative positions at the same time, provided these are subject to a market risk or credit risk and are based on the same underlyings.

- g) Physical delivery obligations in respect of derivatives must at all times be covered by the corresponding underlyings or by other investments, provided the associated risks, such as market risks, currency risks and interest risks, are similar to those of the underlying being delivered, the investments and the underlyings exhibit a high correlation, the investments and the underlyings are highly liquid and, should delivery be requested, they may be purchased or sold at any time. Underlyings can be used as cover for several derivative positions at the same time, provided these are subject to a market risk, credit risk or currency risk and are based on the same underlyings.
- 5. The fund management company may use both standardised and non-standardised derivatives. It may conclude transactions in derivative financial instruments on a stock exchange or another regulated market open to the public or in OTC (over-the-counter) trading.
  - 6. a) The fund management company may conclude OTC transactions only with regulated financial intermediaries that specialise in such types of transactions and can ensure proper execution of the contract. If the counterparty is not the custodian bank, the said counterparty or the guarantor must meet the minimum credit rating requirements laid down in collective investment schemes legislation under Art. 33 CISO-SFBC.
    - a) It must be possible to value an OTC derivative reliably and verifiably on a daily basis and to sell, liquidate or close out the derivative at market value at any time.
    - b) If no market price is available for an OTC-traded derivative, it must be possible to determine the price at any time using appropriate valuation models that are recognised in practice, based on the market value of the underlyings. Moreover, before the conclusion of such transactions, specific offers must be obtained from at least two potential counterparties and the most favourable offer accepted, with due consideration to the price, credit rating, risk distribution and range of services offered by the counterparties. The conclusion of the transaction and pricing shall be clearly documented.
  - 7. In respect of compliance with the statutory and contractual restrictions (maximum and minimum limits), particularly as regards risk distribution, derivatives must be dealt with in accordance with the legislation on collective investment schemes.

### **§ 13. Taking up and extending loans**

- 1. The fund management company may not grant loans for the subfunds' account. Securities lending transactions pursuant to § 10 and securities repurchase agreements taking the form of reverse repos pursuant to § 11 are not deemed to be loans within the meaning of this clause.
- 2. The fund management company may borrow the equivalent of up to 25% of the net assets of the said subfund on a temporary basis. Securities repurchase agreements as



repos pursuant to § 11 are deemed to be borrowing within the meaning of this clause unless the funds obtained are used as part of an arbitrage transaction for the acquisition of securities of the same type, quality, credit rating and maturity in connection with a reverse repo.

#### **§ 14. Encumbrance of the subfunds' assets**

1. The fund management company may not pledge or cede as collateral more than 25% of a subfund's net assets.
2. The subfunds' assets may not be encumbered with guarantees. An exposure-increasing credit derivative is not deemed to be a guarantee within the meaning of this clause.

#### **C Investment restrictions**

#### **§ 15. Risk diversification**

1. The regulations on risk diversification pursuant to § 15 shall include the following:
  - a) investments pursuant to § 8, with the exception of index-based derivatives, provided the index is sufficiently diversified, is representative of the market it relates to and is published in an appropriate manner;
  - b) liquid assets pursuant to § 9;
  - c) claims against counterparties arising from OTC transactions.
2. Companies which form a group in accordance with international accounting regulations are deemed to be a single issuer.
3. Up to 20% of the total assets of a subfund may be invested in securities issued by the same issuer or borrower except where units in collective investment schemes are concerned, in which case Article 15, prov. 9 applies. However, the maximum weighting per securities issuer shall in principle correspond with the structure of the benchmark index designated by the fund management company. Securities which have more than a 5% weighting in the benchmark may exceed their respective weighting by a maximum of 50% (e.g. if the security has a 14% weighting in the benchmark, the fund management company may invest up to 21% of the subfund's assets). However, the total value of the securities issued by the same issuer or borrower in which over 5% of the total assets of a subfund are invested must not exceed 75% of the total assets of a subfund provided that the subfund contains a minimum of twelve positions.
4. The fund management company may invest up to a maximum of 20% of the total assets of a subfund in sight and term deposits with the same bank. Both liquid assets pursuant to § 9 and investments in bank deposits pursuant to § 8 shall be included in this limit.
5. The fund management company may invest up to a maximum of 5% of the total assets of a subfund in OTC transactions with the same counterparty. If the counterparty is a bank domiciled in Switzerland or in a member state of the European Union or another

country in which it is subject to supervision equivalent to that in Switzerland, this limit shall be increased to 20% of the assets of the subfund concerned.

6. Investments, assets and claims pursuant to provs. 3 to 5 above and issued by the same issuer/borrower may not in total exceed 20% of the assets of a subfund, with the exception of the higher limits pursuant to prov. 12 below.
7. The fund management company may invest a maximum of 20% of the total assets of a subfund in units of the same target fund.
8. Investments pursuant to prov. 3 above issued by the same group of companies may not in total exceed 20% of the total assets of a subfund, with the exception of the higher limits pursuant to prov. 13 below.
9. The fund management company may invest no more than 30% of the total assets of the fund in units of collective investment schemes under Swiss law (open-ended, in securities or in the "other securities funds" category) or in units of foreign collective investment schemes (open-ended, regardless of whether or not they comply with the EC directive) which are managed by the fund management company itself or by affiliated companies and which do not present any particular risk, or in money market collective investment schemes.
10. The fund management company may not acquire equity securities which in total represent more than 10% of the voting rights in a company or which would enable it to exert a material influence on the management of an issuing company, unless an exception is granted by the supervisory authority.
11. The fund management company may acquire for the assets of a subfund up to a maximum of 10% of the non-voting equity, debt instruments and/or money market instruments of the same issuer as well as a maximum of 25% of the units of other collective investment schemes.

These restrictions do not apply if the gross amount of the debt instruments, money market instruments or units of other collective investment schemes cannot be calculated at the time of the acquisition.

12. The restrictions in provs. 9 and 10 above do not apply in the case of securities and money market instruments that are issued or guaranteed by a country or a public-law entity from the OECD or by an international public-law organisation to which Switzerland or a member state of the European Union belongs.
13. The limit in prov. 3 above is increased from 20% to 100% if the securities or money market instruments are issued or guaranteed by an OECD country, a public-law entity from the OECD, or by an international public-law organisation to which Switzerland or a member state of the European Union belongs. In this case, the subfund concerned must invest in securities or money market instruments from at least six different issues; no more than 30% of the assets of the subfund concerned may be invested in securities or money market instruments from the same issue. The aforementioned securities or money market instruments will not be taken into account in the application of the 75% limit pursuant to prov. 3.

The abovementioned authorised issuers or guarantors are listed in the informative notice.

## **IV. Calculation of the net asset values and issue and redemption of units**

### **§ 16. Calculation of the net asset values**

1. The net asset value of each subfund and the share of assets attributable to the individual classes are calculated in the accounting currency of the subfund concerned at the market value as of the end of the financial year and for each day on which units are issued or redeemed. On days when the stock exchanges or markets in a subfund's main investment countries are closed (e.g. bank and stock exchange holidays), net asset values will not be calculated for the subfund concerned.
2. Securities traded on a stock exchange or another regulated market open to the public shall be valued at the current prices paid on the main market. Other investments or investments for which no current market value is available shall be valued at the price which would probably be obtained in a diligent sale at the time of the valuation. In such cases, the fund management company shall use appropriate and recognised valuation models and principles to determine the market value.
3. Open-ended collective investment schemes are valued at their redemption price or net asset value. If they are regularly traded on a stock exchange or another regulated market open to the public, the fund management company can value such funds in accordance with prov. 2.
4. The value of money market instruments that are not traded on a stock exchange or another regulated market open to the public is determined as follows: the valuation price of such investments is successively adjusted in line with the repayment price, taking the net purchase price as the basis and ensuring that the investment returns calculated in this manner are kept constant. If there are significant changes in the market conditions, the valuation principles for the individual investments will be adjusted in line with the new market returns. If there is no current market price in such instances, the calculations are as a rule based on the valuation of money market instruments with the same characteristics (quality and domicile of the issuer, issuing currency, term to maturity).
5. Bank deposits are valued on the basis of the amount due plus accrued interest. If there are significant changes in the market conditions or the credit rating, the valuation principles for time deposits will be adjusted in line with the new circumstances.
6. The net asset value of unit of a given class of a subfund is determined by the proportion of this subfund's assets as valued at the market value attributable to the given unit class, less any of this subfund's liabilities that are attributed to the given unit class, divided by the number of units of the given class in circulation. It will be rounded to the nearest CHF 0.01.
7. The share of the market value of the net assets of a subfund (a subfund's assets less liabilities) attributable to the respective unit classes is determined for the first time at the initial issue of more than one class of units (if this occurs simultaneously) or at the initial issue of a further unit class. The calculation is made on the basis of the assets accruing to the subfund concerned for each unit class. The share is recalculated when one of the following events occurs:
  - a) when units are issued and redeemed;

- b) on the pertinent date for distributions, provided that (i) such distributions are made only for individual unit classes (distribution classes) or provided that (ii) the distributions of the various unit classes differ when expressed as a percentage of the respective net asset values or provided that (iii) different commissions or costs are charged on the distributions of the various unit classes when expressed as a percentage of the distribution;
- c) when the net asset value is calculated, as part of the allocation of liabilities (including due or accrued costs and commissions) to the various unit classes, provided that the liabilities of the various unit classes are different when expressed as a percentage of the respective net asset value, especially if (i) different commission rates are applied for the various unit classes or if (ii) class-specific costs are charged;
- d) when the net asset value is calculated, as part of the allocation of income or capital gains to the various unit classes, provided the income or capital gains stem from transactions made solely in the interests of one unit class or in the interests of several unit classes but disproportionately to their share of the net assets of a subfund.

## **§ 17. Issue and redemption of units**

1. Subscription and redemption orders for units are accepted up to a certain cut-off time specified in the informative notice on the day the orders are placed. The definitive price of the units for the issues and redemptions is determined at the earliest on the bank working day following the day the order is placed (valuation day). This is referred to as 'forward pricing'. The details are set out in the informative notice.
2. The issue and redemption price of units is based on the net asset value per unit calculated on the valuation day on the basis of the closing prices from the previous day as defined under § 16. In the case of unit issues, the incidental costs (standard brokerage fees, commissions, taxes etc.) incurred on average by the subfund concerned in connection with the investment of the amount paid in will be added to the net asset value. In the case of unit redemptions, the incidental costs incurred by the subfund concerned in connection with the sale of a portion of investments corresponding to the redeemed units will be deducted from the net asset value. The rate applicable in each case is stated in the informative notice. Furthermore, in the case of unit issues, an issuing commission may be added to the net asset value pursuant to § 18 and in the case of unit redemptions, a redemption commission may be deducted from the net asset value pursuant to § 18.
3. The fund management company may suspend the issue of units at any time, and may reject applications for the subscription or switching of units.
4. The fund management company may temporarily and by way of exception defer repayment in respect of units of a subfund in the interests of all investors:
  - a) if a market which is the basis for the valuation of a significant proportion of the fund's assets is closed, or if trading on such a market is restricted or suspended;
  - b) in the event of a political, economic, military, monetary or other emergency;

- c) if, owing to exchange controls or restrictions on other asset transfers, the collective investment scheme can no longer transact its business;
  - d) in the event of large-scale redemptions of units of the subfund that could significantly affect the interests of the remaining investors.
5. The fund management company shall immediately apprise the auditors and the supervisory authority of any decision to suspend redemptions. It shall also notify the investors in a suitable manner.
  6. No units of a subfund shall be issued as long as the repayment in respect of units of this subfund is deferred for the reasons stipulated under prov. 4 a) to c).
  7. The fund management company may, if so requested, allow an investor to subscribe to units of a subfund by furnishing an investment rather than cash, or, when the fund contract is terminated, reimburse an investor in the form of securities from the fund's assets instead of in cash. The investments furnished or delivered should in principle be capable of being valued daily or be listed on a stock market or on another regulated market open to the public. The fund management company has sole decision-making authority and approves this type of transaction only if it complies fully with the fund contract and the subfund's current investment policy and does not impinge in any way upon the interests of the other investors. Any additional costs incurred due to the transfer in and out of the fund in the form of securities instead of cash shall be borne by the investor that made the corresponding request.

The fund management company shall draw up a report giving detailed explanations concerning any such subscription or redemption in the form of securities, and in particular the value of the investments furnished or redeemed on the date of the transaction, the number of investments transferred to the counterparty and any additional cash payment. The fund management company shall state in the report whether the conditions specified above have been met.

The reports produced by the fund management company shall be made available to the auditors.

## **Fees and incidental costs**

### **§ 18. Fees and incidental costs charged to the investor**

1. On the issue of fund units, the investors can be charged an issuing commission accruing to the fund management company, the custodian bank and/or distributors in Switzerland and abroad, which in total shall not exceed 5% of the net asset value. The rate applicable in each case is stated in the annual report.
2. On the redemption of fund units, the investors can be charged a redemption commission accruing to the fund management company, the custodian bank and/or distributors in Switzerland and abroad, which in total shall not exceed 5% of the net asset value. The rate applicable in each case is stated in the annual report.
3. When units are issued and redeemed, the fund management company shall also charge the incidental costs incurred by the subfund on average in the investment of the amount

paid in or the sale of a portion of the investments corresponding to the units redeemed (cf. § 17, prov. 2), this accruing to the assets of the subfund concerned. The rate applicable in each case is stated in the informative notice.

4. Switching from one subfund to another incurs the incidental costs mentioned in § 17, prov. 2, whereas switching from one class to another does not incur a charge.

#### **§ 19. Fees and incidental costs charged to the subfunds' assets**

1. The fund management company and the custodian bank are entitled to charge the following fees:

a) fund management company's commission:

- for administering the fund, the fund management company charges a maximum annual commission which varies according to the unit classes, levied on a pro rata basis at the end of each month.

For all subfunds:

"I", "J", "P" units: a maximum of 0.04% of the total value of the fund assets attributable to these classes

"Z" units: a maximum of 0.03% of the total value of the fund assets attributable to this class

- for managing and marketing the fund, the fund management company charges a maximum annual commission which varies according to the unit classes, calculated on the net asset value of the fund and charged on a pro rata basis at the end of each month. The rate actually charged shall be stated in the annual reports. If the management of the fund is delegated, part of the commission payable may be debited from the fund and paid directly to the managers.

##### **Pictet (CH) Institutional - Swiss Equities:**

"I" units	a maximum of 0.60% of the total value of the fund assets attributable to this class
"J" units	a maximum of 0.50% of the total value of the fund assets attributable to this class
"P" units	a maximum of 0.90% of the total value of the fund assets attributable to this class
"Z" units	the commission is invoiced directly to the investor by the Pictet group

##### **Pictet (CH) Institutional - World Equities:**

"I" units	a maximum of 0.90% of the total value of the fund assets attributable to this class
"J" units	a maximum of 0.60% of the total value of the fund assets attributable to this class
"P" units	a maximum of 1.20% of the total value of the fund assets attributable to this class
"Z" units	the commission is invoiced directly to the investor by the Pictet group

**Pictet (CH) Institutional - CHF Bonds:**

"I" units	a maximum of 0.40% of the total value of the fund assets attributable to this class
"J" units	a maximum of 0.30% of the total value of the fund assets attributable to this class
"P" units	a maximum of 0.40% of the total value of the fund assets attributable to this class
"Z" units	the commission is invoiced directly to the investor by the Pictet group

**Pictet (CH) Institutional - Foreign Bonds:**

"I" units	a maximum of 0.50% of the total value of the fund assets attributable to this class
"J" units	a maximum of 0.40% of the total value of the fund assets attributable to this class
"P" units	a maximum of 0.60% of the total value of the fund assets attributable to this class
"Z" units	the commission is invoiced directly to the investor by the Pictet group

**Pictet (CH) Institutional - Foreign Bonds ex-JPY hedged in CHF:**

"I" units	a maximum of 0.70% of the total value of the fund assets attributable to this class
"J" units	a maximum of 0.50% of the total value of the fund assets attributable to this class
"P" units	a maximum of 0.90% of the total value of the fund assets attributable to this class
"Z" units	the commission is invoiced directly to the investor by the Pictet group

**Pictet (CH) Institutional - Swiss Equities Tracker:**

"I" units	a maximum of 0.30% of the total value of the fund assets attributable to this class
"J" units	a maximum of 0.20% of the total value of the fund assets attributable to this class
"P" units	a maximum of 0.40% of the total value of the fund assets attributable to this class
"Z" units	the commission is invoiced directly to the investor by the Pictet group

**Pictet (CH) Institutional - Global Concentrated Equities:**

"I" units	a maximum of 0.90% of the total value of the fund assets attributable to this class
"J" units	a maximum of 0.50% of the total value of the fund assets attributable to this class
"P" units	a maximum of 1.80% of the total value of the fund assets attributable to this class
"Z" units	the commission is invoiced directly to the investor by the Pictet group

**Pictet (CH) Institutional - World ex-Swiss Equities Tracker (US tax exempt):**

"IX" units	a maximum of 0.30% of the total value of the fund assets attributable to this class
"JX" units	a maximum of 0.25% of the total value of the fund assets attributable to this class
"PX" units	a maximum of 0.35% of the total value of the fund assets attributable to this class
"ZX" units	the commission is invoiced directly to the investor by the Pictet group

**Pictet (CH) Institutional - World ex-Swiss Equities Tracker (non US tax exempt):**

"I" units	a maximum of 0.30% of the total value of the fund assets attributable to this class
"J" units	a maximum of 0.25% of the total value of the fund assets attributable to this class
"P" units	a maximum of 0.35% of the total value of the fund assets attributable to this class
"Z" units	the commission is invoiced directly to the investor by the Pictet group

**Pictet (CH) Institutional - North American Equities Tracker (US tax exempt):**

"IX" units	a maximum of 0.20% of the total value of the fund assets attributable to this class
"JX" units	a maximum of 0.15% of the total value of the fund assets attributable to this class
"PX" units	a maximum of 0.25% of the total value of the fund assets attributable to this class
"ZX" units	the commission is invoiced directly to the investor by the Pictet group

**Pictet (CH) Institutional - North American Equities Tracker (non US tax exempt):**

"I" units	a maximum of 0.30% of the total value of the fund assets attributable to this class
"J" units	a maximum of 0.20% of the total value of the fund assets attributable to this class
"P" units	a maximum of 0.30% of the total value of the fund assets attributable to this class
"Z" units	the commission is invoiced directly to the investor by the Pictet group

**Pictet (CH) Institutional - European ex-Swiss Equities Tracker:**

"I" units	a maximum of 0.30% of the total value of the fund assets attributable to this class
"J" units	a maximum of 0.20% of the total value of the fund assets attributable to this class
"P" units	a maximum of 0.30% of the total value of the fund assets attributable to this class
"Z" units	the commission is invoiced directly to the investor by the Pictet group

**Pictet (CH) Institutional - Japanese Equities Tracker:**

"I" units	a maximum of 0.30% of the total value of the fund assets attributable to this class
"J" units	a maximum of 0.20% of the total value of the fund assets attributable to this class
"P" units	a maximum of 0.40% of the total value of the fund assets attributable to this class
"Z" units	the commission is invoiced directly to the investor by the Pictet group

**Pictet (CH) Institutional - Pacific Basin ex-Japanese Equities Tracker:**

"I" units	a maximum of 0.30% of the total value of the fund assets attributable to this class
"J" units	a maximum of 0.20% of the total value of the fund assets attributable to this class
"P" units	a maximum of 0.30% of the total value of the fund assets attributable to this class
"Z" units	the commission is invoiced directly to the investor by the Pictet group

**Pictet (CH) Institutional - Foreign Bonds Tracker:**

"I" units	a maximum of 0.50% of the total value of the fund assets attributable to this class
"J" units	a maximum of 0.40% of the total value of the fund assets attributable to this class
"P" units	a maximum of 0.60% of the total value of the fund assets attributable to this class
"Z" units	the commission is invoiced directly to the investor by the Pictet group

**Pictet (CH) Institutional - Foreign Bonds Tracker hedged in CHF:**

"I" units	a maximum of 0.50% of the total value of the fund assets attributable to this class
"J" units	a maximum of 0.40% of the total value of the fund assets attributable to this class
"P" units	a maximum of 0.60% of the total value of the fund assets attributable to this class
"Z" units	the commission is invoiced directly to the investor by the Pictet group

**b) Payments to the custodian bank:**

- for the safekeeping of the fund's assets, the handling of the fund's payment transactions and performance of the other tasks listed under § 4, the custodian bank may charge the fund an annual commission of a maximum of 0.03% of the net asset value of the assets of each subfund, to be debited on a pro rata basis at the end of each month. The effective rate is stated in the annual reports;
- for the distribution of any annual income to the investors, the custodian bank shall charge the fund a commission of 0.30% of the gross amount of the



- distribution;
- for the distribution of liquidation proceeds in the event of the dissolution of the fund or of a subfund, the custodian bank shall charge the investor a commission of a maximum of 0.50% of the net asset value of the units. The effective rate is stated in the liquidation report.

The rates actually charged are stated in the annual report.

2. Furthermore, the fund management company and the custodian bank shall be entitled to reimbursement of the following costs incurred in the course of executing the fund contract:
  - annual fees for the supervision of the umbrella fund and subfunds in Switzerland;
  - printing costs of the annual reports;
  - communications to investors;
  - fees charged by the auditor for regular auditing of the fund;
  - costs incurred for extraordinary and necessary actions undertaken in the interests of the investors.

Fees may be charged only to the subfund for which the respective service has been performed. Costs which cannot be charged to a particular subfund are charged to the various subfunds in proportion to their share of the fund assets.

3. The subfunds shall also bear all incidental costs for the purchase and sale of investments (standard brokerage fees, commissions, taxes) incurred in the management of the fund's assets. These costs will be offset directly against the stated acquisition or saleable value of the respective investments.
4. If the fund management company acquires units of other collective investment schemes that are managed directly or indirectly by the fund management company itself or a company with which it is related by virtue of common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes ("related target funds"), a management fee of 0.25% may be charged to the assets of the subfund in respect of such investments. However, the fund management company may not charge to the subfund any issuing or redemption commissions for the related target funds.

If the fund management company invests in units of a related target fund pursuant to the above paragraph which has a lower actual (flat-rate) management fee than the actual management fee pursuant to prov. 1, the fund management company may, instead of charging the aforementioned management fee, charge the difference between the actual management fee of the investing subfund and the actual (flat-rate) management fee of the related target fund.

## **VI. Financial statements and audits**

### **§ 20. Financial statements**

1. The accounting currencies of the individual subfunds are as follows:
  - Pictet (CH) Institutional - Swiss Equities: the Swiss franc (CHF)
  - Pictet (CH) Institutional - World Equities: the Swiss franc (CHF)
  - Pictet (CH) Institutional - CHF Bonds: the Swiss franc (CHF)
  - Pictet (CH) Institutional - Foreign Bonds: the Swiss franc (CHF)
  - Pictet (CH) Institutional - Foreign Bonds ex-JPY hedged in CHF : the Swiss franc (CHF)
  - Pictet (CH) Institutional - CHF Bonds Tracker: the Swiss franc (CHF)
  - Pictet (CH) Institutional - Swiss Equities Tracker: the Swiss franc (CHF)
  - Pictet (CH) Institutional - Global Concentrated Equities: the Swiss franc (CHF)
  - Pictet (CH) Institutional - World ex-Swiss Equities Tracker (US tax exempt): the US dollar (USD)
  - Pictet (CH) Institutional - World ex-Swiss Equities Tracker (non US tax exempt): the US dollar (USD)
  - Pictet (CH) Institutional – North American Equities Tracker (US tax exempt): the US dollar (USD)
  - Pictet (CH) Institutional – North American Equities Tracker (non US tax exempt): the US dollar (USD)
  - Pictet (CH) Institutional - European ex-Swiss Equities Tracker: the euro (EUR)
  - Pictet (CH) Institutional - Japanese Equities Tracker: the Japanese yen (JPY)
  - Pictet (CH) Institutional - Pacific Basin ex-Japanese Equities Tracker: the US dollar (USD)
  - Pictet (CH) Institutional – Foreign Bonds Tracker: the Swiss franc (CHF)
  - Pictet (CH) Institutional – Foreign Bonds Tracker hedged in CHF: the Swiss franc (CHF)
  
2. The financial year shall run from 1 January to 31 December. For the Pictet (CH) Institutional - World ex-Swiss Equities Tracker (US tax exempt), Pictet (CH) Institutional - World ex-Swiss Equities Tracker (non US tax exempt), Pictet (CH) Institutional – North American Equities Tracker (US tax exempt), Pictet (CH) Institutional – North American Equities Tracker (non US tax exempt), Pictet (CH) Institutional - European ex-Swiss Equities Tracker, Pictet (CH) Institutional - Japanese Equities Tracker and Pictet (CH) Institutional - Pacific Basin ex-Japanese Equities Tracker subfunds, the first financial year will end on 31 December 2007. For the Pictet (CH) Institutional – Foreign Bonds Tracker subfund, the first financial year will end on 31 December 2008. For the Pictet (CH) Institutional – Foreign Bonds Tracker hedged in CHF subfund, the first financial year will end on 31 December 2009.
  
3. The fund management company shall publish an audited annual report for the fund within four months of the end of the financial year. In accordance with Art. 10, para. 5 CISA, the fund management company will not publish a semi-annual report.
  
4. The investor's right to obtain information under § 5, prov. 5 is reserved.

## § 21. Audits

The auditors shall each year examine whether the fund management company and the custodian bank have acted in compliance with the provisions of the fund contract, the CISA and the code of conduct of the Swiss Funds Association SFA. The annual report shall contain a short report by the auditors on the published annual financial statements.

## **VII. Appropriation of net income**

### **§22.**

1. The net income of each subfund shall be distributed annually per unit class to the investors within four months of the end of the financial year in the corresponding currency of the subfund.

The fund management company may make additional interim distributions from the income.

Up to 30% of the net income of a unit class may be carried forward to the new account. If the net income in a financial year including income carried forward from previous financial years is less than CHF/USD/EUR 1.00, or JPY 1,000.00, a distribution may be waived and the entire net income may be carried forward to the new account of the subfund concerned.

2. Capital gains realised on the sale of assets and rights can be distributed by the fund management company or retained for the purpose of reinvestment.

## **VIII. Publication of official notices by the umbrella fund and subfunds**

### **§ 23.**

1. In accordance with Art. 10, para. 5 CISA, the fund and subfunds do not have an official medium of publication (printed or electronic). Information is communicated directly to investors by registered post.
2. Summaries of material amendments to the fund contract shall be communicated by registered post, indicating the offices from which the full text of the amendment, change of fund management company and/or custodian bank, creation, dissolution or merger of unit classes or liquidation of the fund may be obtained free of charge. Amendments required by law that do not affect the rights of investors or are of an exclusively formal nature may be exempted from the duties regarding communication and disclosure, subject to the approval of the supervisory authority.
3. The issue and redemption prices or the net asset value (together with a note stating "excluding commission") must be communicated directly to investors on demand at any time.
4. The informative notice, the fund contract and the annual reports may be obtained free of charge from the fund management company, the custodian bank and all distributors.

## **IX. Restructuring and dissolution**

### **§ 24. Mergers**

1. Subject to the consent of the custodian bank, the fund management company can merge individual subfunds with other subfunds or other investment funds by transferring – as

of the time of the merger – the assets and liabilities of the subfund(s) or fund(s) being acquired to the acquiring subfund or fund. The investors of the subfund(s) or fund(s) being acquired shall receive units in the acquiring subfund or fund to the equivalent value. The fund(s) or subfund(s) being acquired is/are terminated without liquidation when the merger takes place, and the fund contract of the acquiring fund or subfund shall also apply to the fund(s) or subfund(s) being acquired.

2. Subfunds and funds may be merged only if:
  - a) provision for this is made in the relevant fund contracts;
  - b) they are managed by the same fund management company;
  - c) the relevant fund contracts are basically identical in terms of the following provisions:
    - investment policy, risk diversification, and risks associated with the investment;
    - the appropriation of net income and capital gains;
    - the type, amount and calculation of all fees, the issue and redemption commission together with the incidental costs for the purchase and sale of the investments (brokerage fees, charges, duties) that may be charged to the assets of the fund or subfunds or to the investors;
    - the redemption conditions;
    - the duration of the contract and the conditions of dissolution;
  - d) the valuation of the fund or subfund assets, the calculation of the exchange ratio and the transfer of the assets and commitments of the funds or subfunds must take place on the same day;
  - e) no costs shall arise as a result for either the fund or subfunds or the investors.
3. If the merger is likely to take more than one day, the supervisory authority may approve limited deferment of repayment in respect of the units of the funds or subfunds involved.
4. The fund management company must submit the proposed merger together with the merger schedule to the supervisory authority for review at least one month before the planned communication of the intended changes to the fund contract.  
The merger schedule must contain information on the reasons for the merger, the investment policies of the funds or subfunds involved and any differences between the acquiring fund or subfund and the fund or subfund being acquired, the calculation of the exchange ratio, any differences with regard to fees and any tax implications for the fund, as well as the statutory declaration from the auditors.
5. The fund management company must communicate the proposed changes to the fund contract pursuant to § 23, prov. 2, and details of the proposed merger and its timing, together with the merger schedule, at least two months before the planned date of merger, in accordance with the methods of communication laid down for the funds or subfunds in question. In this communication, the fund management company must inform the investors that they may lodge objections against the proposed changes to the fund contract with the supervisory authority, or they may request redemption of their units, within 30 days of the final communication.

6. The auditors must check immediately that the merger is being carried out correctly, and shall submit a report containing their comments in this regard to the fund management company and the supervisory authority.
7. The fund management company shall without delay inform the supervisory authority of the completion of the merger, the confirmation from the auditors regarding the proper execution of the merger and the exchange ratio communicated to investors.
8. The fund management company must make reference to the merger of the subfunds or fund in the next annual report of the fund involved. If the merger does not take place on the last day of the usual financial year, an audited closing statement must be produced for the fund(s) or subfund(s) being acquired.

## **§ 25. Duration and dissolution of the subfunds and fund**

1. The subfunds have been established for an indefinite period.
2. The fund management company or the custodian bank may dissolve the fund or individual subfunds by terminating the fund contract.
3. Individual subfunds may be dissolved by order of the supervisory authority, in particular if, at the latest one year after the expiry of the subscription period (launch) or a longer extended period approved by the supervisory authority at the request of the custodian bank and the fund management company, the subfund does not have net assets of at least 5 million Swiss francs (or the equivalent).
4. The fund management company shall inform the supervisory authority of the dissolution immediately and shall communicate it to the investors by registered post.
5. Once the fund contract has been terminated, the fund management company may liquidate the subfund concerned forthwith. If the supervisory authority has ordered the dissolution of a subfund, it must be liquidated forthwith. The custodian bank is responsible for the payment of liquidation proceeds to the investors. If the liquidation proceedings are protracted, payment may be made in instalments. Prior to the final payment, the fund management company must obtain authorisation from the supervisory authority.

## **X. Changes to the fund contract**

### **§ 26.**

If changes are made to the present fund contract, or if the merger of unit classes or a change of the fund management company or of the custodian bank is planned, the investors may lodge objections with the supervisory authority within 30 days after the last corresponding communication. In the event of a change to the fund contract (including the merger of unit classes), the investors can also demand the redemption of their units in cash subject to the contractual period of notice.

Exceptions in this regard are cases pursuant to § 23, prov. 2 that have been exempted from the regulations

governing communication and disclosure, with the approval of the supervisory authority.

## **XI. Applicable law and place of jurisdiction**

### **§ 27.**

1. The umbrella fund and the individual subfunds are subject to Swiss law, in particular the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, the Ordinance on Collective Investment Schemes of 22 November 2006 and the Ordinance of the Swiss Federal Banking Commission on Collective Investment Schemes of 21 December 2006.

The place of jurisdiction is the court at the fund management company's registered office.

2. The French version is binding for the interpretation of the present fund contract.
3. The present fund contract shall take effect on 17 November 2008.
4. The present fund contract replaces the fund regulations dated 14 October, 22 February 2002, 3 March 2003, 25 January 2005, 28 July 2005, 29 December 2006, 20 July 2007 and 27 August 2008..

*The present fund contract was approved by the Federal Banking Commission on 17 November 2008.*

**The Fund Management Company  
Pictet Funds S.A.  
Route des Acacias 60  
1211 Geneva 73**

**The Custodian Bank  
Pictet & Cie  
Route des Acacias 60  
1211 Geneva 73**

<b>Pictet (CH) Institutional Informative Notice August 2008</b>	
<b>Name of the fund</b>	Pictet (CH) Institutional
<b>Category</b>	<p>A contractual umbrella fund of the type 'other traditional securities funds' has been established under the name of Pictet (CH) Institutional (referred to below as the "umbrella fund") in accordance with Art. 25 et seq. in conjunction with Art. 68 and Art. 92 et seq. of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 (CISA) aimed at qualified investors within the meaning of Art. 10, para. 3 and 4 CISA.</p> <p>The fund contract was approved by the Federal Banking Commission on 22 February 2002 and modified on 26 August 2008.</p>
<b>Fund Management Company</b>	Pictet Funds SA, Route des Acacias 60, 1211 Geneva 73
<b>Custodian Bank</b>	Pictet & Cie, Route des Acacias 60, 1211 Geneva 73
<b>Auditor</b>	PricewaterhouseCoopers S.A., Genève
<b>Deputy Management</b>	The management of the fund's assets is the responsibility of the fund management company, which has delegated the investment decisions and other tasks necessary for the efficient management of the fund to Pictet Asset Management SA, Route des Acacias 60, 1211 Geneva 73.
<b>Delegated responsibility for operation of the computer system and calculation of net asset value (NAV)</b>	Calculation of the fund's NAV has been delegated to Pictet & Cie (Europe) SA in Luxembourg. The exact modus operandi for the provision of this service is set out in a contract between the fund's management and Pictet & Cie (Europe) SA, in force since 30 September 2003. Pictet & Cie (Europe) is well known for its experience in the administration of collective investment undertakings.
<b>Delegated responsibility for the processing of subscription and redemption orders</b>	<p>From March 19, 2007, the processing of subscription and redemption orders has been delegated to Pictet &amp; Cie (Europe) SA, Luxembourg. The precise modus operandi for the provision of this service is set out in a contract between the fund's management and Pictet &amp; Cie (Europe) SA, in force since 9 March 2007. Pictet &amp; Cie (Europe) is well-known for its experience in the administration of collective investment undertakings.</p> <p>Although subscription and redemption orders are now processed in Luxembourg, investors' attention is drawn to the fact that their requests to acquire or dispose of units must be placed in Switzerland, either via the authorised distributors of the collective investments of Pictet Funds SA, or via Pictet &amp; Cie in the case of investors holding an account with that bank.</p> <p>In order to comply with regulations in Luxembourg, investors' attention is drawn to the fact that their personal data provided when subscribing for units may be transmitted by Pictet &amp; Cie (Europe) SA for processing to other units within the Pictet group bound by an equivalent duty of confidentiality.</p>
<b>The investors</b>	<p>This fund is aimed exclusively at qualified investors within the meaning of Art. 10, paras. 3 and 4 CISA. Qualified investors pursuant to this fund contract specifically include: regulated financial intermediaries such as banks, securities traders and fund management companies; regulated insurance institutions; public entities and retirement benefits institutions with professional treasury operations; companies with professional treasury operations; high-net-worth individuals; investors who have concluded a written discretionary management agreement with a financial intermediary as designated above; and investors who have concluded a written discretionary management agreement with an independent asset manager, provided that the provisions of Art. 6, para. 2 CISO are fulfilled.</p> <p>1. In respect of subfunds</p> <p>- Pictet (CH) Institutional - World ex-Swiss Equities Tracker (US tax</p>

	<p>exempt) - Pictet (CH) Institutional - North American Equities Tracker (US tax exempt)</p> <p>investor eligibility for these subfunds is restricted to Swiss retirement benefits institutions within the meaning of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (LPP/BVG) that are exempted from taxation at source by the United States of America in respect of income from securities under the terms of the Double Taxation Agreement between the Swiss Confederation and the United States of America.</p>
<b>Subfunds</b>	<p>Pictet (CH) Institutional - Swiss Equities the fund management company shall invest at least two thirds of the total assets of the subfunds in:</p> <ul style="list-style-type: none"> <li>• equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by companies included on the benchmark index designated by the fund management company;</li> <li>• units of other collective investment schemes which according to their documents invest their assets or a part thereof in accordance with the guidelines of the present subfund;</li> <li>• derivatives (including warrants) on the above investments.</li> </ul> <p>Pictet (CH) Institutional - World Equities the fund management company shall invest at least two thirds of the total assets of the subfunds in:</p> <ul style="list-style-type: none"> <li>• equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by companies included on the benchmark index designated by the fund management company;</li> <li>• units of other collective investment schemes which according to their documents invest their assets or a part thereof in accordance with the guidelines of the present subfund;</li> <li>• derivatives (including warrants) on the above investments.</li> </ul> <p>Pictet (CH) Institutional - CHF Bonds the fund management company shall invest at least two thirds of total assets in:</p> <ul style="list-style-type: none"> <li>• bonds (including a maximum of 25% in convertible bonds, convertible notes and bonds with warrants), notes, and other fixed or variable-interest debt instruments and rights denominated in Swiss francs and issued by private and public borrowers;</li> <li>• units of other collective investment schemes which according to their documents invest their assets or a part thereof in accordance with the guidelines of the present subfund;</li> <li>• derivatives (including warrants) on the above investments.</li> </ul> <p>Pictet (CH) Institutional - Foreign Bonds the fund management company shall invest at least two thirds of total assets in:</p> <ul style="list-style-type: none"> <li>• bonds (including a maximum of 25% in convertible bonds, convertible notes and bonds with warrants), notes, and other fixed or variable-interest debt instruments and rights denominated in foreign currency and issued by private and public borrowers;</li> <li>• units of other collective investment schemes which according to their documents invest their as</li> <li>• derivatives (including warrants) on the above investments.</li> </ul> <p>Pictet (CH) Institutional – Foreign Bonds ex-JPY hedged in CHF the fund management company shall invest at least two thirds of total assets in:</p> <ul style="list-style-type: none"> <li>• bonds (including a maximum of 25% in convertible bonds, convertible notes and bonds with warrants), notes, and other fixed or variable-interest debt instruments and rights denominated in any currency with the exception of the Japanese yen;</li> <li>• derivatives (including warrants) on the above investments.</li> </ul> <p>Pictet (CH) Institutional – CHF Bonds Tracker which will track the weighting of the bonds in the benchmark index, the fund management company shall invest at least two thirds of total assets in:</p> <ul style="list-style-type: none"> <li>• bonds (including a maximum of 25% in convertible bonds, convertible notes and bonds with warrants), notes, and other fixed or variable-interest debt instruments and rights</li> </ul>



	<ul style="list-style-type: none"> <li>denominated in Swiss francs and issued by private and public borrowers;</li> <li>derivatives (including warrants) on the above investments.</li> </ul> <p>Pictet (CH) Institutional – Swiss Equities Tracker which will track the weighting of the equities in the benchmark index, the fund management company shall invest at least two thirds of total assets in:</p> <ul style="list-style-type: none"> <li>equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by companies included on the benchmark index designated by the fund management company;</li> <li>derivatives (including warrants) on the above investments.</li> </ul> <p>Pictet (CH) Institutional – Global Concentrated Equities the fund management company shall invest at least two thirds of the total assets of this subfund in a limited number of equities with high potential, as follows:</p> <ul style="list-style-type: none"> <li>equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by companies included on the benchmark index designated by the fund management company;</li> <li>derivatives (including warrants) on the above investments.</li> </ul> <p>Pictet (CH) Institutional – World ex-Swiss Equities Tracker (US tax exempt) which will track the weighting of the equities in the benchmark index, the fund management company shall invest at least two thirds of the subfund's total assets in:</p> <ul style="list-style-type: none"> <li>units of other collective investment schemes which according to their documents invest their assets or a part thereof in accordance with the guidelines of the present subfund, including ETFs;</li> <li>derivatives (including warrants and futures) on the above investments.</li> </ul> <p>Pictet (CH) Institutional - World ex-Swiss Equities Tracker (Non US tax exempt)</p> <ul style="list-style-type: none"> <li>equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by companies included on or strongly correlated with the benchmark index designated by the fund management company;</li> <li>units of other collective investment schemes which according to their documents invest their assets or a part thereof in accordance with the guidelines of the present subfund, including ETFs;</li> <li>derivatives (including warrants and futures) on the above investments.</li> </ul> <p>Pictet (CH) Institutional – North American Equities Tracker (US tax exempt) which will track the weighting of the equities in the benchmark index, the fund management company shall invest at least two thirds of the subfund's total assets in:</p> <ul style="list-style-type: none"> <li>equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by companies included on or strongly correlated with the benchmark index designated by the fund management company;</li> <li>ab)units of other collective investment schemes which according to their documents invest their assets or a part thereof in accordance with the guidelines of the present subfund, including ETFs;</li> <li>derivatives (including warrants and futures) on the above investments.</li> </ul> <p>Pictet (CH) Institutional – North American Equities Tracker (Non US tax exempt) which will track the weighting of the equities in the benchmark index, the fund management company shall invest at least two thirds of the subfund's total assets in:</p> <ul style="list-style-type: none"> <li>equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by companies included on or strongly correlated with the benchmark index designated by the fund management company;</li> <li>units of other collective investment schemes which according to their documents invest their assets or a part thereof in accordance with the guidelines of the present subfund, including</li> </ul>
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	<p>ETFs;</p> <ul style="list-style-type: none"> <li>• derivatives (including warrants and futures) on the above investments.</li> </ul> <p>Pictet (CH) Institutional - European ex-Swiss Equities Tracker: which will track the weighting of the equities in the benchmark index, the fund management company shall invest at least two thirds of total assets in:</p> <ul style="list-style-type: none"> <li>• equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by companies included on or strongly correlated with the benchmark index designated by the fund management company;</li> <li>• units of other collective investment schemes which according to their documents invest their assets or a part thereof in accordance with the guidelines of the present subfund, including ETFs;</li> <li>• derivatives (including warrants and futures) on the above investments.</li> </ul> <p>Pictet (CH) Institutional - Japanese Equities Tracker which will track the weighting of the equities in the benchmark index, the fund management company shall invest at least two thirds of total assets in:</p> <ul style="list-style-type: none"> <li>• equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by companies included on or strongly correlated with the benchmark index designated by the fund management company;</li> <li>• units of other collective investment schemes which according to their documents invest their assets or a part thereof in accordance with the guidelines of the present subfund, including ETFs;</li> <li>• derivatives (including warrants and futures) on the above investments.</li> </ul> <p>Pictet (CH) Institutional - Pacific Basin ex-Japanese Equities Tracker: which will track the weighting of the equities in the benchmark index, the fund management company shall invest at least two thirds of total assets in:</p> <ul style="list-style-type: none"> <li>• equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by companies included on or strongly correlated with the benchmark index designated by the fund management company;</li> <li>• units of other collective investment schemes which according to their documents invest their assets or a part thereof in accordance with the guidelines of the present subfund, including ETFs;</li> <li>• derivatives (including warrants and futures) on the above investments.</li> </ul> <p>Pictet (CH) Institutional - Foreign Bonds Tracker: the fund management company shall invest at least two thirds of total assets in:</p> <ul style="list-style-type: none"> <li>• bonds (including a maximum of 25% in convertible bonds, convertible notes and bonds with warrants), notes, and other fixed or variable-interest debt instruments and rights denominated in foreign currency and issued by private and public borrowers;</li> <li>• units of other collective investment schemes which according to their documents invest their assets or a part thereof in accordance with the guidelines of the present subfund;</li> <li>• derivatives (including warrants and futures) on the above investments.</li> </ul>
<b>Unit classes</b>	<p>Class "I" units are available to investors making an initial investment worth at least CHF 1,000,000 in the fund.</p> <p>Class "J" units are available to investors making an initial investment worth at least CHF 5,000,000 in the fund.</p> <p>Class "P" units are not subject to any quantitative restrictions.</p> <p>Class "Z" units are available to investors making an initial investment worth at least CHF 500,000 in Pictet funds and who have concluded a discretionary management or service agreement with an entity of the Pictet group.</p>

	<p>Class "IX" units are available to investors making an initial investment worth at least CHF 1,000,000, who satisfy the eligibility criteria for the Pictet (CH) Institutional – World ex-Swiss Equities Tracker (US tax exempt) or Pictet (CH) Institutional – North American Equities Tracker (US tax exempt) subfund and who identify themselves by name to Pictet &amp; Cie (custodian bank) or Pictet &amp; Cie (Europe) SA, Luxembourg (transfer agent) and agree to their identity being communicated to another entity in the Pictet group.</p> <p>Class "JX" units are available to investors making an initial investment worth at least CHF 5,000,000, who satisfy the eligibility criteria for the Pictet (CH) Institutional – World ex-Swiss Equities Tracker (US tax exempt) or Pictet (CH) Institutional – North American Equities Tracker (US tax exempt) subfund and who identify themselves by name to Pictet &amp; Cie (custodian bank) or Pictet &amp; Cie (Europe) SA, Luxembourg (transfer agent) and agree to their identity being communicated to another entity in the Pictet group.</p> <p>Class "PX" units are not subject to any quantitative restrictions and are available exclusively to investors who satisfy the eligibility criteria for the Pictet (CH) Institutional – World ex-Swiss Equities Tracker (US tax exempt) or Pictet (CH) Institutional – North American Equities Tracker (US tax exempt) subfund and who identify themselves by name to Pictet &amp; Cie (custodian bank) or Pictet &amp; Cie (Europe) SA, Luxembourg (transfer agent) and agree to their identity being communicated to another entity in the Pictet group.</p> <p>Class "ZX" units are available to investors who satisfy the eligibility criteria for the Pictet (CH) Institutional – World ex-Swiss Equities Tracker (US tax exempt) or Pictet (CH) Institutional – North American Equities Tracker (US tax exempt) subfund, who have concluded a discretionary management or service agreement with an entity of the Pictet group and who identify themselves by name to Pictet &amp; Cie (custodian bank) or Pictet &amp; Cie (Europe) SA, Luxembourg (transfer agent) and agree to their identity being communicated to another entity in the Pictet group.</p>																																																																																								
Security Identification numbers	<p>Pictet (CH) Institutional – Swiss Equities</p> <table><tr><th>Unit class</th><th>Amount</th><th>TK</th><th>ISIN</th></tr><tr><td>I units</td><td></td><td>1345814</td><td>CH0013458143</td></tr><tr><td>J units</td><td></td><td>1345775</td><td>CH0013457756</td></tr><tr><td>P units</td><td></td><td>1345820</td><td>CH0013458200</td></tr><tr><td>Z units</td><td></td><td>2039616</td><td>CH0020396161</td></tr></table> <p>Pictet (CH) Institutional – World Equities</p> <table><tr><th>Unit class</th><th>Amount</th><th>TK</th><th>ISIN</th></tr><tr><td>I units</td><td></td><td>1345833</td><td>CH0013458333</td></tr><tr><td>J units</td><td></td><td>1345825</td><td>CH0013458259</td></tr><tr><td>P units</td><td></td><td>1345836</td><td>CH0013458366</td></tr><tr><td>Z units</td><td></td><td>2039610</td><td>CH0020396104</td></tr></table> <p>Pictet (CH) Institutional – CHF Bonds</p> <table><tr><th>Unit class</th><th>Amount</th><th>TK</th><th>ISIN</th></tr><tr><td>I units</td><td></td><td>1345846</td><td>CH0013458465</td></tr><tr><td>J units</td><td></td><td>1345841</td><td>CH0013458416</td></tr><tr><td>P units</td><td></td><td>1345853</td><td>CH0013458531</td></tr><tr><td>Z units</td><td></td><td>2039606</td><td>CH0020396062</td></tr></table> <p>Pictet (CH) Institutional – Foreign Bonds</p> <table><tr><th>Unit class</th><th>Amount</th><th>TK</th><th>ISIN</th></tr><tr><td>I units</td><td></td><td>1345867</td><td>CH0013458671</td></tr><tr><td>J units</td><td></td><td>1345855</td><td>CH0013458556</td></tr><tr><td>P units</td><td></td><td>1345876</td><td>CH0013458762</td></tr><tr><td>Z units</td><td></td><td>2039602</td><td>CH0020396021</td></tr></table> <p>Pictet (CH) Institutional – Foreign Bonds ex-JPY hedged in CHF</p> <table><tr><th>Unit class</th><th>Amount</th><th>TK</th><th>ISIN</th></tr><tr><td>I units</td><td></td><td>1573816</td><td>CH0015738161</td></tr></table>	Unit class	Amount	TK	ISIN	I units		1345814	CH0013458143	J units		1345775	CH0013457756	P units		1345820	CH0013458200	Z units		2039616	CH0020396161	Unit class	Amount	TK	ISIN	I units		1345833	CH0013458333	J units		1345825	CH0013458259	P units		1345836	CH0013458366	Z units		2039610	CH0020396104	Unit class	Amount	TK	ISIN	I units		1345846	CH0013458465	J units		1345841	CH0013458416	P units		1345853	CH0013458531	Z units		2039606	CH0020396062	Unit class	Amount	TK	ISIN	I units		1345867	CH0013458671	J units		1345855	CH0013458556	P units		1345876	CH0013458762	Z units		2039602	CH0020396021	Unit class	Amount	TK	ISIN	I units		1573816	CH0015738161
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I units		1573816	CH0015738161																																																																																						

J units		1573811	CH0015738112
P units		1573819	CH0015738195
Z units		2039598	CH0020395981

Pictet (CH) Institutional – CHF Bonds Tracker

Unit class	Amount	TK	ISIN
I units		2250931	CH0022509316
J units			
P units			
Z units		2250940	CH002259407

Pictet (CH) Institutional – Swiss Equities Tracker

Unit class	Amount	TK	ISIN
I units		2251370	CH0022513706
J units			
P units			
Z units		2251377	CH0022513771

Pictet (CH) Institutional – Global Concentrated Equities

Unit class	Amount	TK	ISIN
I units		2251388	CH0022513888
J units			
P units			
Z units		2251403	CH0022514035

Pictet (CH) Institutional – World ex-Swiss Equities Tracker (US tax exempt)

Unit class	Amount	TK	ISIN
IX			
JX			
PX			
ZX		2869297	CH0028692975

Pictet (CH) Institutional - World ex-Swiss Equities Tracker (Non US tax exempt)

Unit class	Amount	TK	ISIN
I units		2869415	CH0028694153
J units		2869432	CH0028694328
P units		2869438	CH0028694385
Z units		2869447	CH0028694476

Pictet (CH) Institutional – North American Equities Tracker (US tax exempt)

Unit class	Amount	TK	ISIN
IX			
JX			
PX			
ZX		2869460	CH0028694609

Pictet (CH) Institutional – North American Equities Tracker (Non US tax exempt)

Unit class	Amount	TK	ISIN
I units		2869484	CH0028694849
J units		2869488	CH0028694880
P units		2869495	CH0028694955
Z units		2869503	CH0028695036

	Pictet (CH) Institutional - European ex-Swiss Equities Tracker:			
	Unit class	Amount	TK	ISIN
	I units		2869520	CH0028695200
	J units		2869533	CH0028695333
	P units		2869552	CH0028695523
	Z units		2869574	CH0028695747
	Pictet (CH) Institutional - Japanese Equities Tracker			
	Unit class	Amount	TK	ISIN
	I units		2869585	CH0028695853
	J units		2869596	CH0028695960
	P units		2869609	CH0028696091
	Z units		2869614	CH0028696141
	Pictet (CH) Institutional - Pacific Basin ex-Japanese Equities Tracker:			
	Unit class	Amount	TK	ISIN
	I units		2871258	CH0028712583
	J units		2871278	CH0028712781
	P units		2871282	CH0028712823
	Z units		2871287	CH0028712872
	Pictet (CH) Institutional – Foreign Bonds Tracker			
	Unit class	Amount	TK	ISIN
	I units		2250931	CH0022509316
	J units			CH00
	P units			CH00
	Z units		2250940	CH0022509407
<b>Financial year</b>	From 1 January to 31 December.			
<b>Reference currency</b>	<p>The accounting currencies of the individual subfunds are as follows:</p> <ul style="list-style-type: none"> <li>- Pictet (CH) Institutional - Swiss Equities: the Swiss franc (CHF)</li> <li>- Pictet (CH) Institutional - World Equities: the Swiss franc (CHF)</li> <li>- Pictet (CH) Institutional - CHF Bonds: the Swiss franc (CHF)</li> <li>- Pictet (CH) Institutional - Foreign Bonds: the Swiss franc (CHF)</li> <li>- Pictet (CH) Institutional - Foreign Bonds ex-JPY hedged in CHF : the Swiss franc (CHF)</li> <li>- Pictet (CH) Institutional - CHF Bonds Tracker: the Swiss franc (CHF)</li> <li>- Pictet (CH) Institutional - Swiss Equities Tracker: the Swiss franc (CHF)</li> <li>- Pictet (CH) Institutional - Global Concentrated Equities: the Swiss franc (CHF)</li> <li>- Pictet (CH) Institutional - World ex-Swiss Equities Tracker (US tax exempt): the US dollar (USD)</li> <li>- Pictet (CH) Institutional - World ex-Swiss Equities Tracker (Non US tax exempt): the US dollar (USD)</li> <li>- Pictet (CH) Institutional - North American Equities Tracker (US tax exempt): the US dollar (USD)</li> <li>- Pictet (CH) Institutional – North American Equities Tracker (non US tax exempt): the US dollar (USD)</li> <li>- Pictet (CH) Institutional - European ex-Swiss Equities Tracker: the euro (EUR)</li> <li>- Pictet (CH) Institutional - Japanese Equities Tracker: the Japanese yen (JPY)</li> <li>- Pictet (CH) Institutional - Pacific Basin ex-Japanese Equities Tracker: the US dollar (USD)</li> <li>- Pictet (CH) Institutional – Foreign Bonds Tracker: the Swiss franc (CHF)</li> </ul>			
<b>Appropriation of net income</b>	<p>The net income of each subfund shall be distributed annually per unit class to the investors within four months of the end of the financial year in the corresponding currency of the subfund.</p> <p>The fund management company may make additional interim distributions from the income.</p> <p>Up to 30% of the net income of a unit class may carried forward to the new account. If the net income in a financial year including income carried forward from previous financial years is less than CHF/USD/EUR 1.00, or JPY 1,000.00, a distribution may be waived and the entire net income</p>			

	<p>may be carried forward to the new account of the subfund concerned.</p> <p>Capital gains realised on the sale of assets and rights can be distributed by the fund management company or retained for the purpose of reinvestment.</p>
<b>Issue and redemption terms</b>	<p>Every banking day</p> <p>For the following sub-funds  Pictet (CH) Institutional - Japanese Equities Tracker  Pictet (CH) Institutional - Pacific Basin ex-Japanese Equities Tracker:  Pictet (CH) Institutional - World ex-Swiss Equities Tracker (Non US tax exempt)  Pictet (CH) Institutional - World ex-Swiss Equities Tracker (US tax exempt)</p> <p>Subscription and redemption requests sent to the custodian bank by 12.00 noon at the latest on a bank business day (day when the order was placed) are calculated on the next but one bank business day (valuation day) based on the net asset value calculated on the preceding day. The net asset value used for the calculation is therefore not yet known at the time the order is placed (forward pricing). The calculation is carried out on the valuation day, based on the closing price for the day following that on which the order was placed, with a value date of two bank business days after the valuation day.</p> <p>For the other sub-funds Pour les autres compartiments :</p> <p>Subscription and redemption requests sent to the custodian bank by 2 pm at the latest on a bank business day (day when the order was placed) are calculated on the following bank business day (valuation day) based on the net asset value calculated on that day. The net asset value used for the calculation is therefore not yet known at the time the order is placed (forward pricing). The calculation is carried out on the valuation day, based on the closing price for the day on which the order was placed, with a value date of two bank business days after the valuation day.</p>

**Incidental costs**

At the time of issuance, any additional fees (brokerage fees in compliance with the market, commissions, other fees, etc.) incurred by the subfund in connection with investing the amount paid shall be added to the net asset value.  
When units are redeemed, any additional fees (brokerage fees in compliance with the market, commissions, other fees, etc.) incurred by the subfund in connection with the sale of the redeemed units shall be deducted from the net asset value.

**Pictet (CH) Institutional - Swiss Equities**

Unit class	Subscription Spread	Redemption Spread
J units	0.20 %	0.20 %
I units	0.20 %	0.20 %
P units	0.20 %	0.20 %
Z units	0.20 %	0.20 %

**Pictet (CH) Institutional - World Equities**

Unit class	Subscription Spread	Redemption Spread
J units	0.20 %	0.20 %
I units	0.20 %	0.20 %
P units	0.20 %	0.20 %
Z units	0.20 %	0.20 %

**Pictet (CH) Institutional - CHF Bonds**

Unit class	Subscription Spread	Redemption Spread
J units	0.10 %	0.10 %
I units	0.10 %	0.10 %
P units	0.10 %	0.10 %
Z units	0.10 %	0.10 %

**Pictet (CH) Institutional - Foreign Bonds**

Unit class	Subscription Spread	Redemption Spread
J units	0.20 %	0.20 %
I units	0.20 %	0.20 %
P units	0.20 %	0.20 %
Z units	0.20 %	0.20 %

**Pictet (CH) Institutional – Foreign Bonds ex-JPY hedged in CHF**

Unit class	Subscription Spread	Redemption Spread
J units	0.20 %	0.20 %
I units	0.20 %	0.20 %
P units	0.20 %	0.20 %
Z units	0.20 %	0.20 %

**Pictet (CH) Institutional – CHF Bonds Tracker**

Unit class	Subscription Spread	Redemption Spread
J units	-	-
I units	0.15 %	0.15 %
P units	-	-
Z units	0.15 %	0.15 %

**Pictet (CH) Institutional – Swiss Equities Tracker**

Unit class	Subscription Spread	Redemption Spread
J units	0.05 %	0.05 %
I units	0.05 %	0.05 %
P units	-	-
Z units	0.05 %	0.05 %

**Pictet (CH) Institutional – Global Concentrated Equities**

Unit class	Subscription Spread	Redemption Spread
J units	-	-
I units	0.20 %	0.20 %
P units	-	-
Z units	0.20 %	0.20 %

Pictet (CH) Institutional - World ex-Swiss Tracker (US Tax exempt)

Unit class	Subscription Spread	Redemption Spread
J units	-	-
I units	-	-
P units	-	-
ZX	-	-

Pictet (CH) Institutional - World ex-Swiss Equities Tracker (Non US tax exempt):

Unit class	Subscription Spread	Redemption Spread
J units	-	-
I units	-	-
P units	-	-
Z units	-	-

Pictet (CH) Institutional - North American Equities Tracker (US tax exempt):

Unit class	Subscription Spread	Redemption Spread
J units	-	-
I units	-	-
P units	-	-
ZX	0.15 %	0.15 %

Pictet (CH) Institutional - North American Equities Tracker (Non US tax exempt)

Unit class	Subscription Spread	Redemption Spread
J units	0.15 %	0.15 %
I units	0.15 %	0.15 %
P units	0.15 %	0.15 %
Z units	0.15 %	0.15 %

Pictet (CH) Institutional - European ex-Swiss Equities Tracker:

Unit class	Subscription Spread	Redemption Spread
J units	0.30 %	0.10 %
I units	0.30 %	0.10 %
P units	0.30 %	0.10 %
Z units	0.30 %	0.10 %

Pictet (CH) Institutional - Japanese Equities Tracker

Unit class	Subscription Spread	Redemption Spread
J units	0.15 %	0.15 %
I units	0.15 %	0.15 %
P units	0.15 %	0.15 %
Z units	0.15 %	0.15 %

Pictet (CH) Institutional - Pacific Basin ex-Japanese Equities Tracker:

Unit class	Subscription Spread	Redemption Spread
J units	-	-
I units	-	-
P units	-	-
Z units	-	-

Pictet (CH) Institutional - Foreign Bonds Tracker:

Unit class	Subscription Spread	Redemption Spread
J units	0.15 %	0.15 %
I units	0.15 %	0.15 %
P units	0.15 %	0.15 %
Z units	0.15 %	0.15 %



<b>Commissions and fees</b>	<p>According to Art. 19 and 20 of the fund contract.</p> <ul style="list-style-type: none"> <li>• Issue commission : 5 % max.;</li> <li>• Redemption commission : 5 % max.;</li> <li>• Commission of the Fund Management Company : <ul style="list-style-type: none"> <li>○ For administering For all sub-funds Class of units « I » , « J » , « P » : 0.04 % max. Class of units « Z » : 0.03 % max.</li> <li>○ For managing and marketing the fund : <p>Pictet (CH) Institutional - Swiss Equities:</p> <p>« I » Units    0.60 % max.  « J » Units    0.50 % max.  « P » Units    0.90 % max.  « Z » Units    the commission is invoiced directly to the investor by the Pictet group</p> <p>Pictet (CH) Institutional - World Equities:</p> <p>« I » Units    0.90 % max.  « J » Units    0.60 % max.  « P » Units    1.20 % max.  « Z » Units    the commission is invoiced directly to the investor by the Pictet group</p> <p>Pictet (CH) Institutional - CHF Bonds:</p> <p>« I » Units    0.40 % max.  « J » Units    0.30 % max.  « P » Units    0.40 % max.  « Z » Units    the commission is invoiced directly to the investor by the Pictet group</p> <p>Pictet (CH) Institutional - Foreign Bonds:</p> <p>« I » Units    0.50 % max.  « J » Units    to a maximum of 0.40 %  « P » Units    to a maximum of 0.60%  « Z » Units    the commission is invoiced directly to the investor by the Pictet group</p> <p>Pictet (CH) Institutional - Foreign Bonds ex-JPY hedged in CHF:</p> <p>« I » Units    0.70 % max.  « J » Units    0.50 % max.  « P » Units    0.90 % max.  « Z » Units    the commission is invoiced directly to the investor by the Pictet group</p> <p>Pictet (CH) Institutional - CHF Bonds Tracker:</p> <p>« I » Units    0.26 % max.  « J » Units    0.15% max.  « P » Units    0.40 % max.  « Z » Units    the commission is invoiced directly to the investor by the Pictet group</p> <p>Pictet (CH) Institutional - Swiss Equities Tracker:</p> <p>« I » Units    0.30 % max.  « J » Units    0.20 % max.  « P » Units    0.40 % max.  « Z » Units    the commission is invoiced directly to the investor by the Pictet group</p> <p>Pictet (CH) Institutional - Global Concentrated Equities:</p> <p>« I » Units    0.90 % max.  « J » Units    0.50 % max.  « P » Units    1.80 % max.  « Z » Units    the commission is invoiced directly to the investor by the Pictet group</p> </li> </ul> </li> </ul>
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	<p>Pictet (CH) Institutional - World ex-Swiss Equities Tracker (US tax exempt):</p> <p>« IX » Units 0.30 % max.  « JX » Units 0.25 % max.  « PX » Units 0.35 % max.  « ZX » Units the commission is invoiced directly to the investor by the Pictet group</p> <p>Pictet (CH) Institutional - World ex-Swiss Equities Tracker (Non US tax exempt):</p> <p>« I » Units 0.30 % max.  « J » Units 0.25 % max.  « P » Units 0.35 % max.  « Z » Units the commission is invoiced directly to the investor by the Pictet group</p> <p>Pictet (CH) Institutional - North American Equities Tracker (US tax exempt):</p> <p>« IX » Units 0.20 % max.  « JX » Units 0.15 % max.  « PX » Units 0.25 % max.  « ZX » Units the commission is invoiced directly to the investor by the Pictet group</p> <p>Pictet (CH) Institutional - North American Equities Tracker (Non US tax exempt):</p> <p>« I » Units 0.30 % max.  « J » Units 0.20 % max.  « P » Units 0.30 % max.  « Z » Units the commission is invoiced directly to the investor by the Pictet group</p> <p>Pictet (CH) Institutional - European ex-Swiss Equities Tracker:</p> <p>« I » Units to a maximum of 0.30 %  « J » Units to a maximum of 0.20 %  « P » Units to a maximum of 0.30 %  « Z » Units the commission is invoiced directly to the investor by the Pictet group</p> <p>Pictet (CH) Institutional - Japanese Equities Tracker:</p> <p>« I » Units to a maximum of 0.30 %  « J » Units to a maximum of 0.20 %  « P » Units to a maximum of 0.40 %  « Z » Units the commission is invoiced directly to the investor by the Pictet group</p> <p>Pictet (CH) Institutional - Pacific Basin ex-Japanese Equities Tracker:</p> <p>« I » Units to a maximum of 0.30 %  « J » Units to a maximum of 0.20 %  « P » Units to a maximum of 0.30 %  « Z » Units the commission is invoiced directly to the investor by the Pictet group</p> <p>Pictet (CH) Institutional - Foreign Bonds Tracker:</p> <p>« I » Units to a maximum of 0.50 %  « J » Units to a maximum of 0.40 %  « P » Units to a maximum of 0.60 %  « Z » Units the commission is invoiced directly to the investor by the Pictet group</p> <p>The management company may pay retrocessions to the following qualified institutional investors holding fund units on behalf of third parties for business purposes:</p> <ul style="list-style-type: none"> <li>• life assurance companies</li> <li>• pension funds and other occupational pension insurance institutions</li> <li>• investment foundations</li> <li>• Swiss fund management companies</li> <li>• foreign fund managers and fund companies</li> <li>• investment companies.</li> </ul> <p>The fund management company may also pay portfolio commissions for the Marketing element to the distributors and distribution partners listed below:</p> <ul style="list-style-type: none"> <li>• authorised distributors</li> <li>• fund management companies, banks, securities dealers, the Swiss Postal Service and insurance companies</li> <li>• distribution partners that place fund units exclusively with institutional investors with professional treasury operations</li> <li>• wealth managers.</li> </ul>
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	<ul style="list-style-type: none"> <li>• Custodian Bank Agreements: 0.03% max.</li> <li>• Distribution of liquidation proceeds in the event of the dissolution of the investment fund or of a subfund: payment to the custodian bank of a maximum of 0.30% of the net asset value of the units.</li> <li>• Distribution of annual income to the unitholders: payment to the custodian bank of a maximum of 0.50% per annum.</li> </ul> <p>The rates actually charged are stated in the annual report.</p>
<b>List of issuers and guarantors according to § 15 of the fund contract</b>	<p>The following issuers and guarantors are aimed:</p> <ul style="list-style-type: none"> <li>- Member states of the OECD;</li> <li>- The African Development Bank;</li> <li>- The Asian Development Bank;</li> <li>- The European Investment Bank;</li> <li>- Eurofirma;</li> <li>- The Inter-American Development Bank;</li> <li>- The European Bank for Reconstruction and Development;</li> <li>- The Council of Europe;</li> <li>- The European Union;</li> <li>- The International Finance Corporation;</li> <li>- The Nordic Investment Bank;</li> <li>- The World Bank.</li> </ul>

